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1992 STATE OF MONTANA COMPREHENSIVE HOUSING AFFORDABILITY STRATEGY (CHAS)

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Mr. Charles A. Brooke
Director, Department of Commerce
Capitol Station
Helena, MT 59620

Dear Mr. Brooke:

The Comprehensive Housing Affordability Strategy (CHAS) submitted for the State of Montana, has been reviewed and approved by the Department of Housing and Urban Development. We look forward to working with your staff over the coming year to refine and improve this document as the final regulations on CHAS submissions and 1990 Census data become available.

Your next submission will be governed by the final CHAS regulations which are expected to be available in March 1992.

If we may be of further assistance, please contact Ms. Linda Williams, Community Development Representative, at (303) 844-4666.

Very sincerely yours,

Michael R. Chitwood
Regional Administrator--Regional
Housing Commissioner

cc:
Mr. Newell Anderson
Administrator
Local Government Assistance Division
Cogswell Building, Room C211
Helena, MT 59620



MONTANA DEPARTMENT OF COMMERCE

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February 19, 1992

Barbara H. Richards, Director
Office of Community Planning and Development
U. S. Department of Housing and Urban Development
Denver Regional Office, Region VIII
1405 Curtis Street
Denver, Colorado 80202-2349

Dear Ms. Richards:

As required by the Cranston-Gonzalez National Affordable Housing Act, I hereby submit the original and two copies, including all attachments and certifications, of the Comprehensive Housing Affordability Strategy (CHAS) prepared for the State of Montana by the Department of Commerce.

Please direct any questions or comments on the CHAS document to Newell B. Anderson, Administrator, Local Government Assistance Division.

Sincerely,

A handwritten signature in dark ink, appearing to read "C. Brooke".

Charles A. Brooke
Director

cc: Newell B. Anderson, Administrator
Local Government Assistance Division

**1992
COMPREHENSIVE HOUSING AFFORDABILITY STRATEGY
for
MONTANA**

Prepared by:
Community Development Services of Montana, Consultant

for
Montana Department of Commerce
Charles A. Brooke, Director

Helena, Montana
March, 1992

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EXECUTIVE SUMMARY

In November of 1990, President Bush signed into law the National Housing Affordability Act. The Act establishes a series of new programs primarily aimed at addressing the issue of affordable housing. The cornerstone of the Act is the requirement that states and local jurisdictions prepare a Comprehensive Housing Affordability Strategy (CHAS) in order to be eligible to receive federal funds, both under the newly established and many existing programs.

BACKGROUND

Housing came to occupy a significant place on the national policy agenda during the New Deal period of the 1930's when it became central to the nation's treatment of its disadvantaged. During the 1980's however, the federal government's role in the provision of affordable housing severely diminished. Federal funding commitment fell nearly 75% while housing problems continued to grow worse.

During the early years of the 1980's the cost burden to renters rose by 10 percentage points while homeownership rates fell (particularly in the west). The homeless problem worsened as housing costs rose at a faster rate than income, and the number of low-rent units decreased. Today, sixty percent of the nation's lowest income elderly remain unassisted and face serious problems as their need for special services becomes greater.

The pullback of the federal government from housing initiatives in the 1980's left a gap in the provision of affordable housing. While the tenet of decent and affordable housing for all remains at the core of public housing policy in the 1990's, the responsibility for addressing those issues is significantly shifting from the federal government to the states. The signing of the 1990 National Affordable Housing ACT formally established a new role for states in addressing housing problems. Its requirement that states and entitlement areas prepare comprehensive housing strategies marks the first time for many states and localities that a comprehensive assessment of their housing needs has been performed. The new requirement also formally enlists states in a more active role in addressing housing issues.

HOUSING ISSUES FACING MONTANA

Montana has not escaped the effects of national housing problems. An analysis of the number of low-rent units and the number of households earning less than \$10,000 per year indicates that there may be as much as a 30% gap in the provision of affordable rental housing to those households. This has particularly affected families who make up 51% of all households, whose children constitute the largest single age group in the state's population, and who are well represented on waiting lists for assisted units.

There are no signs that the void is being filled. There has been little new construction of multifamily units for low and moderate income Montanans. Shortages in the state's major cities are driving up monthly rental payments. The cost burden to lower income renters in the major cities is on the average eight points higher than it is for rural Montana renters, and can be as much as eighteen points higher.

Single family units are also in short supply in Montana's major cities while few new units have been constructed in recent years. The shortage has driven up the cost of the existing stock, placing homeownership out of reach for many low and moderate income Montanans living in the major cities. Average monthly mortgage and down payments are approximately 23% higher in the major cities than in rural areas of the state. The rural portions of the western region, which are more densely populated than other rural areas, also exhibit high rental and homeownership costs.

Rehabilitation of the existing housing stock is a pressing issue for Montana. Many occupied units across the state are in poor condition because their owners cannot afford the costs of maintenance. Elderly Montanans, in particular, who constitute the largest group of home owners in the state, often lack the resources to maintain their homes. For potential home buyers in many areas, most notably the eastern region of the state and in Butte-Silver Bow, units which stand vacant for long periods of time constitute a rehabilitation problem. Often the cost of bringing the units to a liveable standard is prohibitive. The poor condition of the units can also preclude the use of mortgage insurance programs, without which the units are not easily financed.

Beyond the issue of rehabilitation as it relates to maintenance and improvements, there is also a need for modification to existing units. Modification to units is required in order to make housing handicapped-accessible to Montana's physically disabled population, some of whom currently live in units which are not adequately equipped. In addition, energy inefficient units are placing an unnecessary cost burden on Montana's renters and home owners. Energy conservation modifications are needed to address the overall issue of affordable housing across the state.

There are a number of groups in Montana who have special needs linked to the provision of affordable housing. For homeless people, families headed by single parents, and elderly, there is a need for supportive services which facilitate independence. Homeless people in Montana, while not as prevalent in this state as in other areas of the country, are finding fewer available units in local shelters. Many facilities are simply not able to meet the need for emergency and transitional housing.

Single parents head 17% of Montana's families. Where there is a high rate of single-parent families in public housing facilities—a situation more common to Montana's major cities—the provision of day-care and job training services is needed both to facilitate the family's move toward self-sufficiency and maintain a stable public living environment. Whereas the elderly make up 24.4% of Montana's adult population and represent the largest group of home owners in the state, congregant care housing for this group which fosters independent living while providing supportive services is a compelling need.

There are more than 50,000 mobile homes in Montana. Whereas mobile homes represent an affordable housing alternative to many Montanans, they are not a good long-term solution to the affordability issue. Mobile home owners do not realize a return on their investment and face exclusionary zoning laws in many cities. The challenge to the policy makers in Montana is to present an affordable housing alternative which is more equitable to low income Montanans.

While the majority of Montana's population is homogeneous, American Indians are the state's largest minority and constitute nearly 6% of our state's total population. Although reservations are not currently part of the CHAS process, it is important to consider that 22.1% of Montana's Indians, or 8,849 are urban dwellers, living primarily in Great Falls and Billings. The affordable housing needs of this population are therefore concentrated in those two communities.

THE STATE'S SPECIFIC HOUSING NEEDS

Many of Montana's housing problems are directly associated with national housing problems and are similar in nature. However, out of the analysis of Montana's housing conditions, eleven specific needs have been identified. They include the need for:

- *More Low-Rent Units*
- *Rehabilitation of Existing Low-Rent Units*
- *Rehabilitation of Existing Single Family Units*
- *More Affordable Homeownership Opportunities*
- *Repair and Maintenance Assistance for Elderly Home Owners*
- *Assistance for Mobile Home Owners*
- *Assistance for Single Parent Families and Families with Other Supportive Needs*
- *More Low-Rent Congregant Care Facilities for Elderly Montanans*
- *Housing for Disabled Persons/Persons Requiring Supportive Services*
- *Housing for Homeless Persons*
- *Housing for Persons With AIDS*

THE CHALLENGE TO MONTANA

Montana has not fully recovered from the latest national recession or from overall structural changes in the state's economy related to its dependence on natural resource extraction. As these economic difficulties continue, the gap in the provision of affordable housing will persist if not worsen. The state's limited resources are not adequate to address the housing requirements of low income individuals and families, elderly Montanans, or people with special needs. The disparity not only exists in the provision of affordable rental units, but in affordable homeownership opportunities as well.

In A HUD Perspective of Montana, published in 1991, it was noted that the importation of capital into Montana via conventional sources is difficult. There are few dollars for development activities including housing. The only way Montana will be able to address its affordable housing needs will be through the continued and expanded investment of federal dollars in addition to increased local and state investment. Given the limited financial capacity of state and local governments, the commitment of local resources for affordable housing is not likely to occur without substantial federal participation. Montana must also address those political and regulatory barriers which affect the state's ability to provide affordable housing. Limited local financial resources must be directed, to the greatest extent possible, to addressing Montana's affordable housing needs.

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INTRODUCTION

NATIONAL POLICY PERSPECTIVES

Decent and affordable housing is an essential element to the quality of American Life. The role of the federal government in addressing housing issues has been pivotal since the time of the New Deal when housing was defined as a significant part of the nation's policy agenda. A number of public programs were created, beginning with public housing in 1934, which were intended to serve the housing needs of the poor, elderly, and others for whom affordable and decent housing was unattainable. Since that time, housing has been central to the nation's treatment of the disadvantaged.

As the nation entered the 1980's, however, the commitment to housing in the federal policy arena fell significantly. The funding level plunged from \$26.7 billion for fiscal 1980 to less than \$10 billion in fiscal 1986. At the same time, the cost of housing has been rising faster than the ability to pay for it. The result is a growing gap in the provision of affordable housing and growing pressure placed on states to reexamine their role in addressing the growing housing problem.

The nature of federal housing policy as the country moves into the 1990's is reflective of both the basic tenet of providing decent and affordable housing for all and the emphasized role of states in that provision. On November 28, 1990, President Bush signed into law the Cranston-Gonzalez National Affordable Housing Act. This Act has formally augmented the role of states and localities in addressing housing issues by requiring states and entitlement areas (areas with populations of 50,000 or more) to develop comprehensive planning documents from which policy and appropriation decisions are to be made.

Each state and entitlement area is now required to submit a Comprehensive Housing Affordability Strategy (CHAS) to the United States Department of Housing and Urban Development (HUD). In order to be eligible to receive federal housing assistance under the sixteen programs covered by the new legislation (which are listed in the appendix) applications must be consistent with the contents of a state's CHAS. The National Affordable Housing Act does not currently include Section 8 (except for the Single Room Occupancy program) and Farmers Home programs in its CHAS process, nor does it currently include Indian reservations.

In addition to establishing a new role for states in housing policy, the National Affordable Housing Act encourages a stronger role of the private sector in the provision of affordable housing. The Act created a new series of programs under the umbrellas of the Home Investment Partnership Program (HOME) and the Home Ownership for People Everywhere Program (HOPE). These programs, particularly the HOPE programs, encourage tenant and private, non-profit ownership of multifamily housing units. The HOME programs also bestow an emphasis on private ownership by promoting ownership of single family dwellings.

The 1990's present some difficult challenges to states. The federal withdrawal from housing initiatives in the 1980's left a gap in the provision of affordable housing for the nation's disadvantaged. The National Affordable Housing Act has formally enlisted the states in the task of filling that gap. The challenge to Montana will be particularly difficult. The state has traditionally suffered from capital scarcity. Where federal policy has moved to a stronger dependence on private sector development, amassing the capital needed to continue leveraging federal funds will be difficult.

NATIONAL HOUSING PROBLEMS

Affordable housing for very low, low, and moderate income persons has become a critical national issue. The lack of affordable housing across America has affected individuals, families and the elderly. It has affected both renters and home owners.

According to Decent and Affordable Housing for All: A Challenge to the States, a 1986 Report prepared by the National Governor's Association, housing costs are rising at a faster rate than income. In fact, since 1975, rental costs have outpaced income increases by 11%. Rent burden (the percent of household income spent on rent and associated costs) rose from a median of 48% in 1978 to 58% in 1983 for households with incomes less than \$10,000. Yet, since 1979, the federal commitment to additional assisted rental units has decreased by 64%.

Homeownership is beyond the reach of many Americans. It has become increasingly difficult for low and moderate income families and individuals to purchase homes. Homeownership rates are down, particularly in the West, for young persons between the ages of 30 and 34. High interest rates coupled with prohibitive down payment requirements have contributed to a reduction in home buying.

Elderly housing issues are also a growing concern. Nationally, three-fourths of all elderly households are in single family homes. Their home equity is not always easily converted to income and they lack cash for home maintenance and other supportive needs. Long-term elderly renters constitute the poorest segment of the nation's population. Sixty-five percent had incomes below 50% of the median in 1983. While 64% of all new Section 8 construction and one-third of all Farmers Home Administration 515 program funds have been directed to elderly renters, 60% of the lowest income elderly are not currently assisted. Nationally, there is a shortage of units which provide supportive services.

Homelessness, while not necessarily the result of a housing problem, requires a housing solution. The main contributor to homelessness nationwide (approximately one-third) has been the deinstitutionalization of the mentally ill. In addition, increasing chemical dependency problems, economic recessions and cutbacks in assistance programs in the 1980's have contributed to homelessness. Many single room occupancy units (SRO's), which are important to serving the needs of homeless people, have been eliminated through enforcement of building codes. As rental costs for remaining units have climbed and as the number of assisted units has been reduced, there are simply not enough units to take up the slack.

MONTANA'S CHAS

The new federally mandated role of states in housing requires that states become intimately acquainted with their particular housing needs. Montana has not escaped the effects of national housing and economic problems. This document, while fulfilling Montana's requirement to prepare a CHAS for the 1992 federal fiscal year beginning October 1, 1991, represents Montana's first attempt to comprehensively assess its unique housing needs. The growth and completeness of the document is an evolutionary process that will by necessity and design improve each year. In the ensuing years, the state aspires to a CHAS document that will be more encompassing of the needs of American Indians, homeless people, and the developmentally and physically handicapped in Montana. The unavailability of information regarding these groups and the time constraints associated with the development of this first CHAS prevented a comprehensive assessment of the needs of these groups.

The document has three main sections—the State Profile, the Five-year Strategy, and a One-year Implementation Plan. The State Profile is a comprehensive assessment of the state's housing situation and contains subsections entitled Market and Inventory Conditions, Montana's Housing Needs, Montana's Housing Problems, Policy and Regulatory Issues, and Montana's Future. The section entitled "Five-year Strategy" contains a statement of overall strategy, and a subsection entitled "Local Funding Sources Available for Housing Development." The final section entitled "One-year Implementation Plan" includes an actual plan of action for the ensuing year and the state's monitoring plan.

As Montana's only entitlement communities, Billings and Great Falls are required to prepare separate CHAS documents. Their completed CHAS reports are appended to this document. Questions

regarding the entitlement CHAS documents may be directed to the following:

Billings: Mr. John Walsh
Community Development Department
City of Billings
P.O. Box 1178
Billings, MT 59103
Phone: (406) 657-8200

Great Falls: Ms. Cheryl Patton
Community Development Department
City of Great Falls
P.O. Box 5021
Great Falls, MT 59403
Phone: (406) 727-5881

Although these communities have completed local assessments of their housing needs, information regarding their housing conditions have also been included in the overall state assessment. Questions regarding the Montana State CHAS may be directed to:

Mr. George Warn, Chief
Section 8 Housing Bureau
Montana Department of Commerce
1424 Ninth Avenue
Capitol Station
Helena, MT 59620
Phone: (406) 444-2804

During the development of this first CHAS, the Department of Commerce held six public hearings on the draft document. These hearings were held during November and December, 1991 in Bozeman, Glasgow, Havre, Helena, Miles City, and Missoula. In addition, the Department received over thirty-five written comments on the draft. A summary of these comments appears in the Appendix.

The comments received during the sixty day comment period, in general, provided more specific details in regards to the housing affordability needs of local areas. It is the intent of the Department to investigate the specific issues raised in regards in these local areas during the development of the next CHAS document which must be prepared for Fiscal Year 1993 and submitted to HUD by October 31, 1992.

In addition, during the preparation of the next CHAS, the Department will have access to more comprehensive 1990 Census information and will be able to address more specifically the housing affordability needs of Montana's smaller communities, especially in the eastern region of the state. The Department will also address the further research needs outlined in the One-year Implementation Plan, presented in Chapter V during the preparation of the Fiscal Year 1993 CHAS.

ACKNOWLEDGMENTS

Preparation of the CHAS would not have been possible without the assistance of a variety of agencies and their staffs, notably the Community Development Block Grant Program, Montana Census and Economic Information Center, the Montana Board of Housing, the State Section 8 Program, the Department of Social and Rehabilitation Services, the Rural Institute on Disabilities at the University of Montana, the Preventative Health Services Bureau at the Department of Health, the Governor's Office on Aging, Montana People's Action, the Montana Independent Living Centers and Neighborhood Housing Services in Great Falls. In addition, the report relied on the willingness of public housing authority directors, Human Resources Development Council staff, private developers, local government officials and others to provide information and perceptions about affordable housing conditions and needs in Montana. The Montana Department of Commerce wishes to thank the citizens of Montana who contributed to the CHAS process by offering comments at the various public hearings held across the state.

The Community Development Block Grant Program staff, in addition to providing oversight, developed the Five-year Strategy and One-year Implementation Plan as well as contributing a great deal to the section on Policy and Regulatory Issues. All other sections of the report were prepared by Community Development Services of Montana. Graphics and typesetting were performed by Cottage Graphics of Butte, Montana.

METHODOLOGY

The overall methodology employed in determining the housing needs of Montana involved two levels of research. First, an analysis of demographic, household, and income data was performed in order to describe the market and inventory conditions for the state. Second, an informal telephone survey of housing officials and others knowledgeable about housing was conducted during the month of September, 1991. The results of the telephone survey combined with the supporting data analysis enabled a determination of the state's housing needs. In addition, secondary sources (listed in the bibliography) combined with the results of the telephone survey were used to perform an analysis of the causes of housing problems in the state as well as the policy and regulatory barriers affecting the state's ability to address housing issues.

Data Analysis

The data used to perform the analysis in the CHAS document was derived from two primary sources. Demographic and household information came from the 1990 Census Summary Tape File 1A for Montana counties, cities, and census designated places (CDP)—an unincorporated place with a settled concentration of people and a name. More specifically, the analysis considered the following variables contained in Summary Tape File 1A:

1. P1/4. Persons by Urban/Rural Residence
2. P6/8/10. Race and Hispanic Origin
3. P5. Sex
4. P11/12. Persons by Sex and Age
5. P1/2/3/15/17/17A. Persons, Households and Families
6. P24/25. Households by Households Size/Type by Age of Members
7. P27. Households Type and Household Size
8. P18. Age of Household Members by Household Type
9. H8/H9. Tenure by Race of Householder
10. H1/H2/H3/H5. Housing Units - Tenure and Vacancy
11. H12. Tenure by Age of Householder
12. H40. Vacancy Status by Duration of Vacancy
13. H23. Value
14. H32. Contract Rent
15. H30. Vacancy Status
16. H38. Rent Asked
17. H31. Price Asked
18. H41/42/43. Units in Structure.

The second source of data used to perform the analysis contained in the CHAS was The Sourcebook of County Demographics produced by CACI Marketing Systems. The information taken from this document was primarily income information. More specifically, information taken from page 38-D on the distribution of 1990 households by income was used to assess the level of cost burden (the percentage of household income spent on housing) which exists in Montana. The income information contained in the Sourcebook of County Demographics was presented on a county and statewide basis only. For this reason, it was not possible to determine the urban/rural status of income groups. Further, the income groupings in the CACI document do not correspond to the definitions for very low, low, and moderate income. Accordingly, it was not possible to determine the actual number of very low, low, and moderate income households in the state. Since the income groupings were not presented by demographic group, it was also not possible to identify cost burden among groups, i.e., racial and age groups. The 1990 census data on income which is presented in more detail was not yet available for the purposes of this analysis.

The data derived from these sources was used to generate the 'Market and Inventory Conditions' section of the CHAS. This section is a descriptive account of the demographic and household

distributions, the state of affordability and availability of housing in the state, the condition of existing housing units, as well as projections regarding the future market. The level of detail desired with regard to the condition of housing in Montana is lacking in this first CHAS because recent census information was not available. Where the condition of housing was addressed in the 'Market and Inventory Conditions,' the information was based on 1980 Census data and conclusions are speculative.

With the exception of income data, all data was analyzed with an urban/rural distinction. This was accomplished by isolating data for the seven largest cities in the state from the associated county data. The seven largest cities include Billings, Bozeman, Butte-Silver Bow, Great Falls, Helena, Kalispell, and Missoula. Kalispell was included because, while it is significantly smaller than the other cities, it is the seventh largest city in the state and is the major city in one of the fastest growing counties in Montana. The county of Butte-Silver Bow has a consolidated city/county government and was therefore regarded in this document as one unit. The remainder of the state is regarded as rural.

For the purposes of the market and inventory analysis, an attempt was made to account for the tendency of adjacent smaller communities to absorb city housing problems. For those cities with adjacent census designated places (CDP's), those CDP's were analyzed with their associated cities. Whereas it would have been desirable to use a more uniform analytical method—one which considered a uniform radius surrounding each city—time constraints prevented such a detailed analysis. As Montana's CHAS is refined, a more equitable process will be employed. Following is a list of the seven largest Montana cities and their associated CDP's:

Billings.	Lockwood CDP
Bozeman.	Bozeman has no adjacent CDP's
Butte-Silver Bow.	Butte-Silver Bow data is presented on a county-wide basis
Great Falls.	Sun Prairie CDP Malmstrom Air Force Base CDP
Helena.	Helena Valley West CDP Helena Valley East CDP Helena Valley Northwest CDP Helena Valley Northeast CDP Helena Valley Southeast CDP
Kalispell.	Evergreen CDP
Missoula.	Lolo CDP Bonner-West Riverside CDP Orchard Homes CDP

The state was divided into five regions and all rural data is presented accordingly. The five regions include the east, north central, northwest, south, and southwest, and are based upon the regional divisions used by the Montana Soil Conservation Service (SCS). Where necessary, the SCS regional boundaries have been adjusted to reflect existing Human Resource Development Council (HRDC) districts. In addition, whereas the SCS divisions reflect only one western region, this analysis divides the west into two regions—the southwest and the west. This was done so that the state distributions would be more evenly balanced.

The method of aggregating data using the distinctions described above allowed for an analysis which reflected the difference in housing issues in the various parts of the state and enabled a more critical look at the affordable housing issues in Montana's cities v rural areas.

Survey

In order to best determine the need for affordable housing throughout the state, 40 officials in housing and related fields were surveyed by telephone during the month of September, 1991. Those surveyed were asked questions about state and regional housing needs, the obstacles to providing affordable housing, and their reflections on public housing policy. Where possible, those surveyed provided information on the numbers of persons waiting for publicly assisted housing. The responses from the survey are reflected in the 'Needs' section of the CHAS document. In addition, the Montana Department of Commerce requested information from more than 700 persons and agencies statewide who have interests in housing issues. Those responses are also reflected in the 'Needs' section of the document.

Numbers of assisted housing units, persons on waiting lists, housing program descriptions and other related material were provided by state agencies and local housing officials. The description of needs was based on a combination of the survey results of housing officials, an analysis of the waiting lists provided, and where possible, supporting data from the 'Market and Inventory Conditions' section of the CHAS.

While the state of Montana is acutely aware of the need to incorporate American Indian housing needs into its planning efforts, the 1992 CHAS process does not require the incorporation of Indian reservations into the document. To the greatest extent possible, the document identifies the representation of the American Indian population in the state as well as in the major cities and rural areas. During the late spring of 1992, the Governor's Office on Aging will be sponsoring a survey of the socio-economic characteristics of Montana's Indian population, both on and off-reservation, including housing characteristics. In addition, during the next two years, the Coordinator of Indian Affairs of the Department of Commerce will be compiling a profile of Native Americans in the state. The information from those efforts will be available to incorporate into the Fiscal Year 1993 and 1994 CHAS documents.

Limitations

The Montana CHAS prepared for fiscal year 1992 is the first such document prepared for the state of Montana under the new National Affordable Housing Act. It is also the state's first comprehensive housing study. Because it is the first study which attempts to analyze Montana's housing situation in a comprehensive manner, there was no existing state analysis on which to rely. Therefore, all of the analysis contained in this document was performed in response to the new federal requirement and within the time constraints imposed by the federal government.

Because time was limited, some issues were not given the attention they deserved and in some cases, there were informational gaps which could not be filled in the time allotted. Most notably, there is a gap in information depicting the condition of housing in the state. Also, it was not possible to identify the actual extent of cost burden experienced by Montana's low income persons or to assess the extent to which groups, i.e., racial and age groups, are burdened by housing costs. This CHAS addresses these issues in a general way using indicators. Further primary research is required in order to assess the actual extent of cost burden.

Further study of Montana's special needs citizens is also in order for ensuing CHAS documents. The extent of the housing needs for both developmentally and physically disabled persons warrants further study as does the extent of homelessness and the housing needs of American Indians in the state. With regard to public policy and regulatory issues, land use and zoning regulations, taxation, building codes, and overall economic development issues as they relate to affordable housing, need to be explored more thoroughly.

Detailed census data will be available in the coming months and will be useful in filling the informational gaps which exist in this document.

STATE PROFILE

A. MARKET AND INVENTORY CONDITIONS

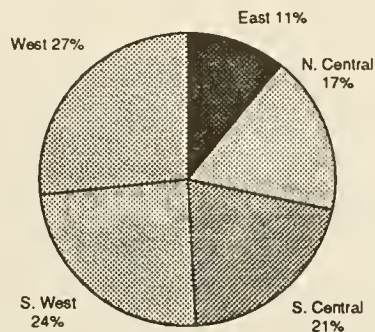
The state of Montana is the fourth largest state in land area and yet has a sparse, rural population. With just less than 800,000 people, the state has only two entitlement areas (areas with populations of 50,000 or more). They are Billings and Great Falls. While the entitlement areas are required under the National Affordable Housing Act of 1990 to submit separate CHAS reports, Billings and Great Falls have also been integrated into both the tabular presentation of data and the narrative of this report. The city of Missoula, which is expected to reach a population of 50,000 in the coming years, may become the state's third entitlement area.

The following discussion of the state's market and inventory conditions seeks to establish the adequacy of decent and affordable housing in Montana. Beyond the descriptive value of the information, the analysis has provided the necessary background for identifying the state's housing needs. By presenting demographic,

household, and income information, as well as a general assessment of the availability and affordability of housing in the state, a data base has been established for assessing the needs of specific demographic groups and household types. The analysis takes into account the differences in housing issues among geographic areas of the state by comparing cities and rural areas as well as five different geographic regions. The five regions include the east, north central, south central, southwest, and the west. (See age 55 for a map illustrating the five Montana regions.)

Because of the time constraints associated with the development of this report, there are informational gaps with regard to some issues, most notably condition of housing, affordability of housing, and the number of disabled and homeless persons in Montana. Future CHAS updates will have the benefit of current, detailed census data which will satisfy some of the gaps in this report.

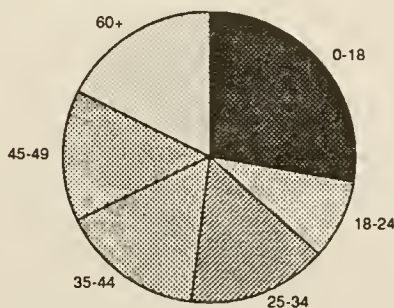
**State Regional
Population Distribution**



State Racial Composition



State Age Distribution



A.1 DEMOGRAPHICS

Montana's Population. Montana is essentially a homogeneous state. Out of the 799,065 people residing in the state, almost 92% are white, followed in number by the American Indians who make up approximately 6% of the population. The majority of Montana's American Indians live on Montana's seven Indian reservations including:

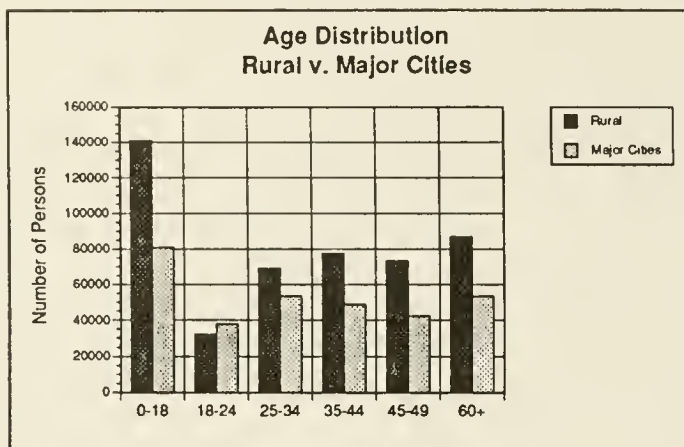
1. the Blackfeet Reservation located in north central Montana;
2. the Rocky Boy Reservation located in north central Montana;
3. the Fort Belknap Reservation located in north central Montana;
4. the Fort Peck Reservation located in eastern Montana;
5. the Northern Cheyenne Reservation located in parts of both the eastern and south central regions of Montana;
6. the Crow Reservation located in south central Montana; and
7. the Flathead Reservation located in western Montana.

American Indians represent higher proportions of the population in those regions containing Indian reservations. The north central region has the highest proportion of American Indians—34%. Although Indian reservations are not part of the CHAS process at this time, it is important to note that 22% (8,849) of Montana's Indian population reside in Montana's major cities, the highest concentration being in Great Falls.

Montana is a gender-balanced state with essentially a one-to-one ratio of females to males. Although the major cities tend to have slightly more females than males, rural areas are quite evenly balanced.

The population of Montana is slightly older than the nation as a whole, the 1990 median age in Montana being 33.8 compared to the nation's 32.9. This seems contrary to the fact that children (those between the ages of 0-18) represent the largest group of people in the state (27.7%). However, the elderly (those 60 years of age and older) also have a significant representation in the age distribution of Montana with 17.6% (and 24.4% of the adult population).

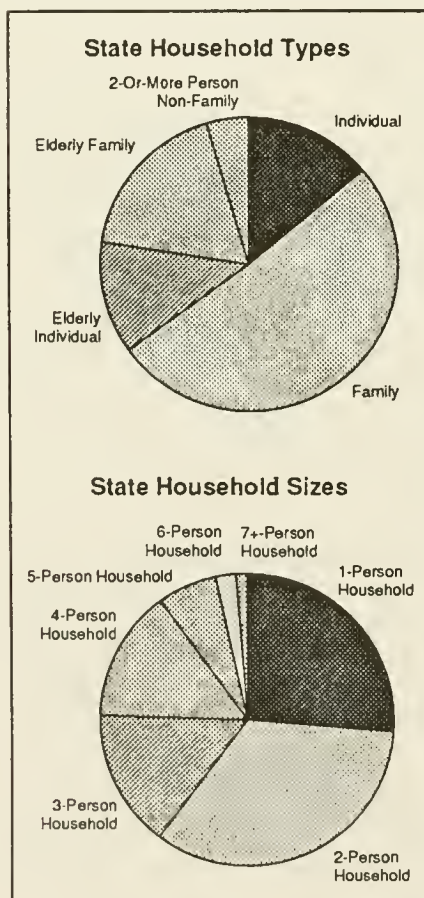
The group 35-44 follows as the third largest age group in the state with 15.9%, the 25-34 year old people with 15.4%, the 45-59 group with 14.6%, and finally, the 18-24 year old people who have by far the smallest representation with 8.8% of the total population.



State Population Distributions. Sixty percent of Montana's population is rural, the largest percentage of rural dwellers residing in western Montana. All regions of the state contain at least one major city except for the eastern region where the entire population is rural.

Children are the largest single age group in both rural Montana and the major cities. However, 64% of the state's children are rural dwellers. The rural sections of the east and north central regions have particularly high concentrations of children.

The elderly are also disproportionately represented in rural Montana which embodies 62% of the state's elderly. Rural eastern Montana has a particularly high concentration of elderly.

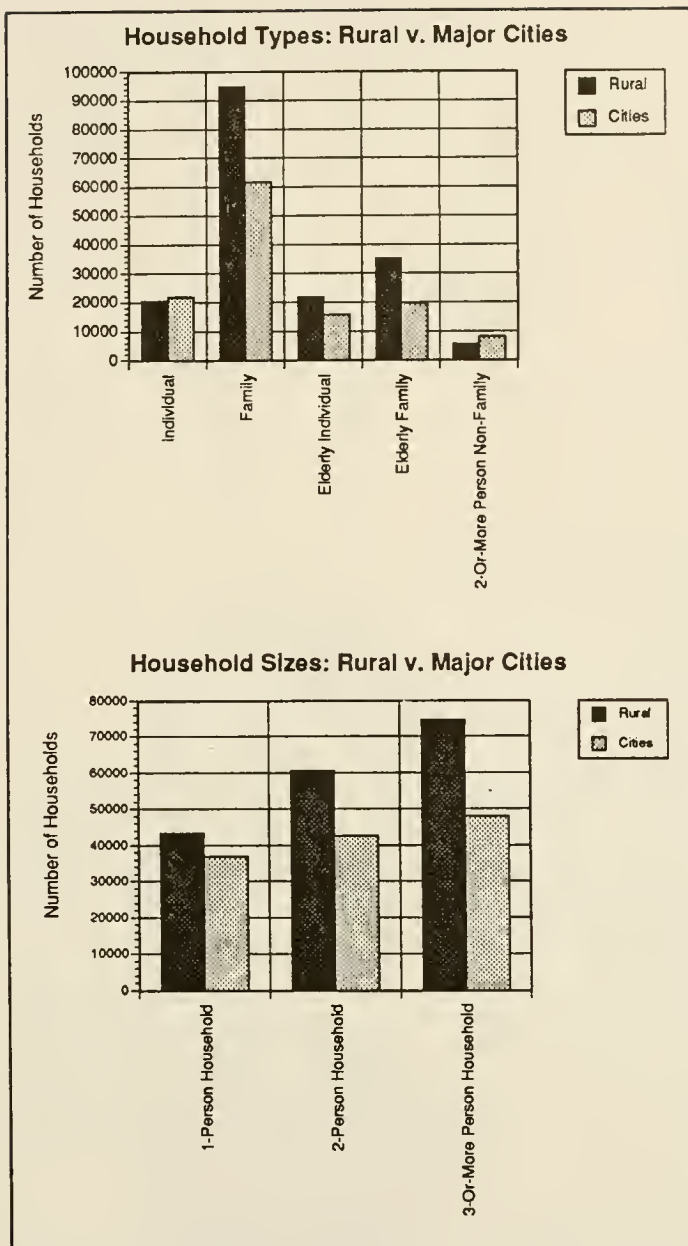


Montana's seven largest cities are more characterized by their population of young adults. There are not as many children in these cities and generally not as many elderly. Butte-Silver Bow and Kalispell are exceptions. They both have exceedingly high concentrations of elderly—21.9% and 21.5% respectively.

A.2 HOUSEHOLDS

Montana's Households. There are currently 306,139 households in Montana. For the purposes of this study, the households have been distinguished according to the following types: Individual Households; Family Households; Elderly Individual Households; Elderly Family Households; and Two or more Person-Non-Family Households, the fundamental point of distinction being the size requirements of the households but with a further distinction made between elderly and non-elderly. (See glossary for definitions of the household types.)

The predominant household type in Montana is the Family Household. They represent 51% of all Montana households, not astonishing given the fact that children are Montana's single largest age group. The average family size in Montana is 3.08 and the average household size is 2.53. Two-person households represent the largest household size, followed by three-person households. When the larger size households are combined to make up the three or more-person household category, that group comprises nearly 74% of all the total households. Families are undoubtedly a large consideration in Montana's discussion of affordable housing.



Just as the elderly represent a significant portion of the population, they represent a significant portion of Montana's households. Of all households in the state, 30.4% (92,976) are elderly households — 12.4% are elderly individuals and 18% are elderly families. Accordingly, elderly families occupy over half of the two-person households in the state and just under half of all one-person households. Individual households (these households contain one person who is under the age of 65) represent 14% of all households.

State Household Distributions. Fifty-eight percent of Montana's households are located in rural Montana even though 60% of the population is located there. The proportion of households is lower because family and household sizes are larger in rural portions of the state. The rural areas are characterized by large concentrations of family households as well as elderly family households.

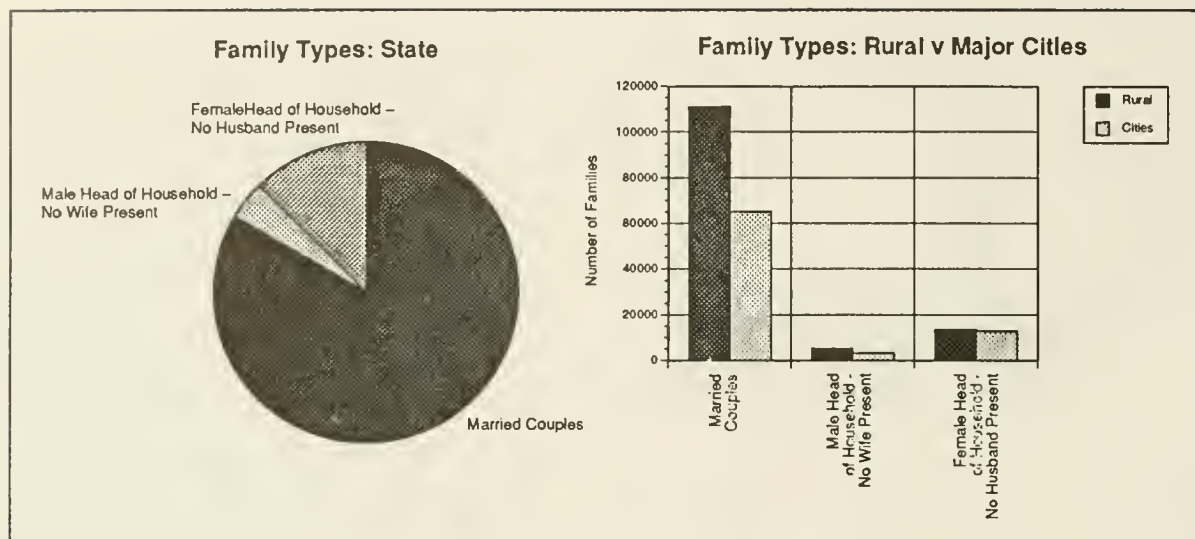
The major Montana cities are characterized by more individual households than rural Montana. The concentrations of individual elderly households is fairly constant in cities and rural areas. However, just as Butte-Silver Bow and Kalispell have higher concentrations of elderly, they also have higher concentrations of elderly households, particularly elderly family households.

Because Bozeman exhibits some unique household patterns, its circumstance is worth isolating. This area is truly characterized by its young adult population, individual households and the most intense demand for homes. The proportion of young adults and individuals is inordinately high. Bozeman also has an inordinately low concentration of elderly and elderly households.

A.3 FAMILIES

Of the 211,650 families in Montana, the majority are rural—61.5%. Montana families are generally headed by married couples, although the number of households headed by single people is significant and is of particular importance with regard to a discussion of affordable housing. Married couples represent 83.4% of the state's family types. Of the married couples, 48.6% have children, while 51.4% have no children. Elderly families, which generally consist of only a husband and wife will comprise a large portion of the married couples with no children. The concentrations of couples is higher in rural areas of the state. Conversely, there are higher concentrations of households headed by single persons in the major cities.

Currently in Montana, there are 35,139 family households which are headed by single persons. This represents nearly 17% of the family households. Seventy-one percent of these households have children present. Furthermore, 75% of these households are headed by single women who are more likely to have children than a single male headed



household. While a higher actual number of single-headed families are located in rural Montana, the major cities have higher concentrations of this particular family type.

A.4 RENTERS AND HOMEOWNERS (TENURE)

Just over 67% of Montana's occupied housing units are occupied by their owner (owner-occupied); the remaining 33% are renter-occupied. The rate of homeownership is much higher in the rural areas of the state (72.6%) than in the major cities where the rate is only 59.8%. As is true of the nation as a whole, the largest single group of home owners in Montana is the elderly. Of all the owner-occupied units in Montana, 26.4% are occupied by those 65 years of age and older. This is true of both the major cities and rural Montana. Overall, the 35-44 age group has the second highest rate of homeownership in both rural areas and the major cities.

The people most likely to rent in Montana, in both rural areas and the major cities, are those in the 25-35 age group. Given that people in this age category are more likely to live in the cities and occupy an individual unit, and further, that homeownership is less affordable in the major cities, there is an indication of a need for assistance to young adults who are first-time buyers in the acquisition of homes. Those least likely to rent are those in the age group 45-54. Although the rate of homeownership for the elderly is the same for cities and rural Montana, there are more elderly renters in rural Montana. This can be attributed to the larger population of elderly in rural areas.

TENURE BY AGE OF HOUSEHOLDER

Age	MONTANA		RURAL		MAJOR CITIES	
	Renters	Owners	Renters	Owners	Renters	Owners
15 - 24	14.6%	1.3%	10.5%	1.2%	18.5%	1.2%
25 - 34	31.6%	14.3%	30.5%	13.9%	32.6%	13.9%
35 - 44	10.1%	17.9%	11.6%	18%	8.6%	18.0%
55 - 64	7.0%	16.1%	7.9%	16.4%	6.1%	16.4%
65+	15.3%	26.4%	16.2%	26.9%	14.6%	26.9%

A.5 SPECIAL NEEDS GROUPS

Montana's Disabled. The number of people in Montana with disabilities constitutes approximately 10% to 15% of the entire state population. Persons with disabilities include those which are mentally or physically disabled (or both). Disabilities may be present from birth or be the result of illness or accident. The State Department of Social and Rehabilitation Services (SRS) and the Rural Institute on Disabilities at the University of Montana both noted that precise numbers on the disabled in Montana are not available at this time. Counts are not always accurate

because the term 'disabled' is not adequately defined. Further, data is often collected in connection with a particular programmatic requirement rather than in a more comprehensive manner. For example, 25,000 disabled persons are currently receiving social security-disability payments in Montana. The 1980 census information indicates that there are 40,515 Montanans whose disability prevents them from working, and 4,879 Montanans who have transportation disabilities. This second number corresponds fairly closely with the estimated 5,000 persons issued state handicapped parking permits annually. There are also an additional 2,000-5,000 persons living in Montana who are severely mentally disabled. It is important to note that according to the Rural Institute on Disabilities, in rural areas of the country, there are higher prevalence and incidence rates for persons with disabilities than in urban areas. It is, therefore, difficult to use overall national projections to estimate the number of disabled persons living in Montana.

Montana's Homeless. Homeless shelters across the state are reporting increased numbers of homeless persons. A survey of homeless shelters conducted in 1990 by the Montana Department of Social and Rehabilitation Services indicated that 48,490 total nights lodging were provided by shelters state-wide in 1989. Of the total clients receiving shelter assistance, 69% were men, 25% were women, and 6% were children. The Poverello Center in Missoula

served 7,360 persons during 1990 as compared with a total of 23,914 for the five years from 1984 to 1988; an average of 4,782 persons served per year. Accurate figures on the number of homeless in Montana are not available at this time. Further research is required to quantify the actual numbers of homeless.

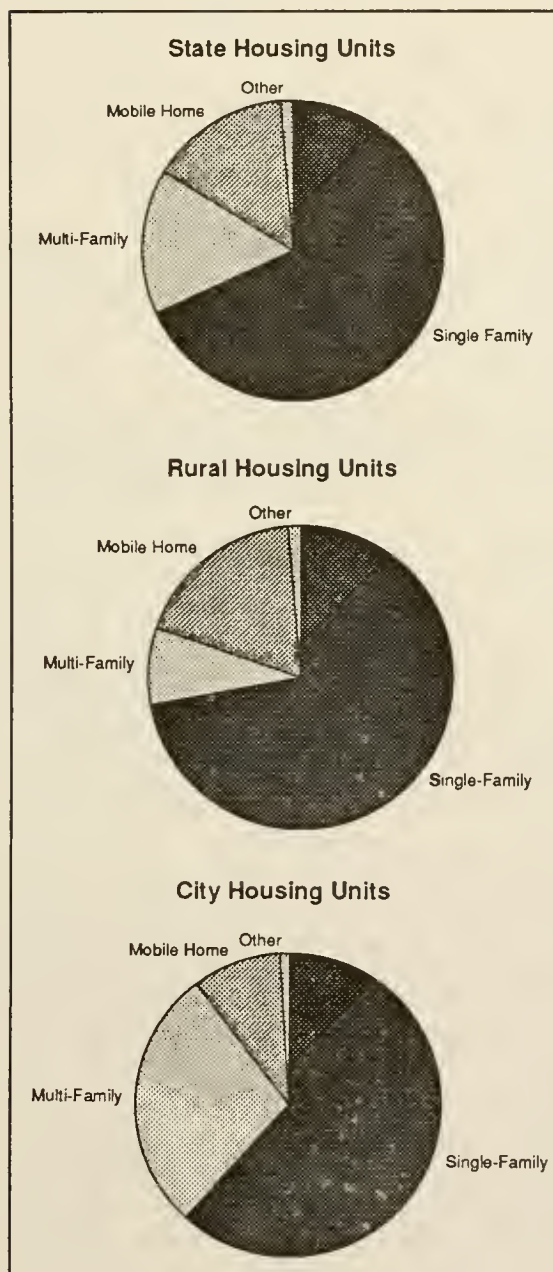
AIDS Afflicted Montanans. Montana has had 107 documented cases of AIDS according to the Montana Department of Health and Environmental Sciences. As of June 30, 1991, 302 persons have tested HIV positive of the 27,279 tested since 1985. Given that the entire state has not been tested, projections have been made regarding the likely number of HIV positive persons in the state. The Center for Disease Control projects that there are an estimated 600 HIV positive persons in Montana. According to the Coolfont Model, the number may be as high as 895.

A.6 HOUSING UNITS

Single family units are the predominant unit type in Montana. They comprise 68.1% of the state's total units. Multifamily units represent the second largest group at 15.7%. Mobile homes comprise 15% of the total units. Rural Montana has a higher concentration of single family units than the major cities, while multifamily units are more common in the major cities. Rural areas of the state have more mobile homes than the major cities. The concentration of mobile homes is particularly high in the western region of the state.

A.7 CONDITION OF HOUSING

Recent data which depicts the condition of housing in Montana was not available for the formation of this document. For the purposes of the next CHAS document, the detailed 1990 census data will be available. The information contained in this section has been based on 1980 census data and the perceptions of housing officials across the state



who participated in the telephone survey. Four condition issues have been identified and to the greatest extent possible, supported with data.

The first housing condition issue is associated with the age of Montana's housing stock. According to the 1980 census, 30% of Montana's single family units were constructed prior to 1940. Because homes constructed prior to 1940 have potential structural problems related to inadequate foundations, floor supports, and roofs which inevitably grow worse over time, there is most likely a need for rehabilitation across Montana. While there is no substantial data to express the level of that need, the fact that 26.4% of all owner-occupied units are occupied by elderly individuals who have a documented need for assistance with maintenance and up-keep, indicates some level of condition problems exist in the state.

The second housing condition issue is related to the concentration of mobile homes in the state. Although the mere existence of mobile homes does not constitute a condition problem, there are issues associated with mobile homes which are conducive to such problems. Fifteen percent or 54,002 of all units in the state are mobile homes. The concentration of such units is particularly high in rural areas of the state. There are two issues surrounding mobile home living which lend themselves to condition problems. First, because mobile homes are not subject to the same building code review as permanently constructed homes, they are more likely to fall into substandard condition. Second, the arrangement under which mobile home living has evolved is most often in the form of mobile home parks which are generally privately owned. These arrangements are loosely regulated in Montana, leaving open the possibility for substandard conditions within mobile home parks across the state. While there is no primary data which reflects the level of substandard conditions in the mobile home arena, the high concentration of mobile homes and the inherent problems associated with that particular style of living is an indication of a potential problem. Further research is required to assess the level of the problem in Montana.

The third identified condition issue is the perceived substandard condition of low-rent, non-subsidized units in Montana. The results of the telephone survey of housing officials across Montana indicate that at least in some, and most likely in many areas of the state, low-rent, non-subsidized units are in substandard condition. For example, 86% of the rental units in some portions of Hardin are substandard. The substandard conditions for such units exist in both Butte-Silver Bow and Great Falls as well.

Finally, as expressed in the survey of Montana housing officials, a general problem with subsidized and non-subsidized units across the state exists because many were constructed using electric heating systems. These systems were initially installed because of their low cost, but because they are not efficient systems, the result is high heating costs which are passed on to the tenants, thereby inflating cost burden.

A.8 AFFORDABLE HOUSING

Approximately 18.6% (59,217) of Montana households earn less than \$10,000 annually. For these households, a monthly housing cost of more than \$250 constitutes a cost burden. The following analysis examines the cost burden to renters and potential home owners in Montana's major cities and rural areas. The calculations are intended to indicate the state of affordability across the state rather than identify the actual number and type of households experiencing cost burden. The detailed information needed to perform such an analysis was not available at the time the analysis was performed.

Rent burden calculations were made by using 1990 census figures for contract rent with an added 21% utility cost. Calculations for mortgage payments and down payments were made by using 1990 census figures for the average asking prices of vacant-for sale housing units and applying 'rule of thumb' formulas used by the Federal Housing Administration. The formula assumes a monthly mortgage payment which is 3% of the first \$25,000 of the purchase price and 3% of the remainder, an added \$25 per month insurance cost, and a \$750 per year tax payment. This formula was applied to the average asking prices of vacant-for sale units. The down payment formula applied assumed 1% of the average asking price for vacant-for sale units.

Renters. Rural renters in Montana are less likely to experience cost burden than renters in Montana's major cities. Whereas cost burden is experienced when a household spends more than 30% of its income on housing, rental households in the state's major cities earning less than \$10,000 annually are likely to be paying anywhere from 35% to 54% of their income for housing. If the number of households in this income group is proportional to the number of households overall, then Montana's major cities contain approximately 25,000 households experiencing

AFFORDABILITY FOR RENTERS

	Medlan Rent Including Utilities	Cost Burden \$10,000 Household Income	Cost Burden \$15,000 Household Income
Rural			
East	\$267	32%	21%
N. Central	267	32%	21%
S. Central	263	32%	21%
S. West	272	33%	22%
West	302	36%	24%
Major Cities			
Billings	\$344	41%	28%
Bozeman	338	41%	27%
Butte-Silver Bow	318	38%	25%
Great Falls	452	54%	36%
Helena	292	35%	23%
Kalispell	357	43%	29%
Missoula	292	35%	23%

Source: Housing Affordability Analysis; CDS of Montana, 1991

this level of cost burden. The situation for that income group is of particular concern in Great Falls where the renter cost burden is highest at 54%. Bozeman, Billings, and Kalispell also show high cost burden figures in the 40% range.

Results of the telephone survey suggest that, while the 1990 census figures depicting the median rent for Missoula are relatively low, the supply of rental units has become so scarce that monthly rental costs are skyrocketing as this document is being prepared. The same is true for Bozeman as both areas are experiencing an influx of students in the Universities. Respondents to the telephone survey from smaller communities adjacent to Bozeman and Missoula reported that their communities are absorbing the housing demand from those cities and, consequently, housing shortages and rent increases.

Rural renters with annual household incomes of \$10,000 or less appear to be spending more than 30% of their income on housing as well. The cost burden to rural renters tends to be between 32% and 36%. If the number of households in this income group is proportional to the number of households overall, rural Montana contains approximately 35,000 households experiencing this level of cost burden.

For those households earning \$15,000 annually, the cost burden in rural Montana is between 21% and 24%. In the major cities, the same income group spends between 23% and 29%. Because rental costs in Great Falls are high, even households earning \$15,000 annually are paying more than 30% of their income on housing.

Home Buyers. What holds true for renters is generally true for first time home buyers in Montana. That is, the cost of buying a home in rural Montana is less than it is in the major cities, although there is some disparity among rural areas in the average asking price of vacant-for sale homes. In the rural regions of eastern and north central Montana where the vacancy rates are high, the average asking price for a vacant-for sale home is under \$26,000. At this rate, a household income of approximately \$14,000 would make a home in those areas affordable. In the rural regions of south central and south western Montana which have relatively high vacancy rates as well, a home is currently selling for around \$50,000. An annual household income of approximately \$23,000 would generally make a home affordable in these regions. The average asking price of a vacant-for sale home in rural western Montana is substantially higher than the rest of the rural areas. At the current average asking price, a household income of approximately \$29,000 would be required. Aside from the city of Bozeman, this region exhibits the highest home acquisition costs in the state.

In most of the major cities, average asking prices are between \$49,000 and \$54,000. Butte-Silver Bow exhibits the lowest cost of home acquisition, while Bozeman exhibits the highest requiring an approximate annual income of \$33,500. Montana's major cities have comparatively low vacancy rates ranging from 4% to 10.2% as opposed

AFFORDABILITY FOR FIRST TIME BUYERS

	Average Price Asked	Approximate Downpayment	Approximate Monthly Payment	Required Income
Rural				
East	\$24,939	\$1,750	\$336	\$13,500
N. Central	25,528	1,776	342	13,700
S. Central	41,436	2,572	501	20,000
S. West	47,099	2,855	558	22,300
West	64,218	3,712	729	29,200
Major Cities				
Billings	\$53,246	\$3,162	\$619	\$24,800
Bozeman	75,000	4,250	837	33,500
Butte-Silver Bow	35,435	2,272	441	17,700
Great Falls	59,508	3,475	682	27,300
Helena	53,363	3,168	621	24,900
Kalispell	49,449	2,975	581	23,300
Missoula	59,364	3,468	681	27,300

Source: Housing Affordability Analysis; CDS of Montana, 1991

to the rural range of 17.3% to 22%. Whereas this indicates a higher demand for housing in the cities, it further supports the higher cost of housing in those areas. It is important to note that while mortgage rates may be affordable to many, the ability to save for a down payment is a prohibitive factor.

A.9 AVAILABILITY OF HOUSING

Three housing availability issues are of concern for Montana. The first is in regard to the availability of low-rent units. There are approximately 40,989 low-rent units (units which cost no more than \$250 per month) in Montana currently. Approximately 11,389 of the low-rent units are federally assisted (see appended list). However, the supply does not meet the demand. There is a 30% disparity between the number of households earning less than \$10,000 and the actual number of low-rent units. While the 30% figure is only an indicator of the availability status, when considered in combination with the waiting list for publicly assisted units which numbers 6,285, it becomes apparent that there is a shortage of low-rent units.

The second issue is the availability of homes which meet the criteria for loan assistance and mortgage insurance. It is true that in some areas of the state, the housing market is tight, particularly in the major cities. However, in the rural areas of the state where vacancy rates are high (particularly in the eastern region) and there is no shortage of homes for sale, the issue becomes one of condition. In many instances, the poor condition of the vacant homes precludes the use of federal mortgage insurance programs. Without these programs, homes are not easily financed and are consequently forced out of the reach of many potential home buyers. The result is a diminished supply of affordable homes.

The third availability issue is the shortage of affordable homes on the market for low and moderate income persons. This is of particular concern in the major cities, most notably Bozeman, which has the lowest vacancy rate in the state and the highest average asking price for vacant-for sale homes. Where the market is tight and prices are escalating, it is becoming increasingly difficult for low and middle income persons to purchase homes.

B. MONTANA'S HOUSING NEEDS

A review of Montana's housing market and inventory conditions indicates that Montana has difficulty in meeting its affordable housing needs. This section will describe those housing needs, existing programs which address those needs, and the level of adequacy of existing programs. The needs are listed by number. However, the numbering does not imply any priority ranking. Information is presented for the following groups:

- Individuals
- Families (including two or more persons — non family households)
- Elderly individuals and families
- Disabled individuals and families including those requiring special services
- Homeless persons
- Persons with AIDS

The information is presented for the entire state. When problems are more particular to either rural Montanans or to Montanans living in the seven major cities, including Billings, Bozeman, Butte-Silver Bow, Great Falls, Helena, Kalispell, and Missoula, those particularities are noted.

The eleven needs which follow were expressed by housing officials across Montana during the telephone survey conducted during the month of September, 1991. The needs statements are supported with data where possible.

NEED NO. 1: MORE LOW-RENT UNITS

■ GENERAL NEED STATEMENT

Specialists in the field of housing are reporting a large demand for low-rent units across the state. The demand is greater in Montana's seven major cities, but some shortages have been reported in rural areas in the western region of the state as well.

Very low, low, and moderate income persons and families are competing with middle and upper income Montanans for the same stock of rental units. The increasing demand has resulted in the reduction of affordable rental units. In those regions of the state where the economy is supported by seasonal employment (tourism, timber, and some forms of agriculture), there are a growing number of Montanans who cannot afford year-round rental housing without subsidy. This is particularly true for the west and southwest regions of the state.

Gentrification, the process of upgrading formerly low cost housing to accommodate the wishes of middle and upper income persons, and overall increasing demand for the existing rental stock, has contributed to the decreasing stock of affordable rental units in major cities. Vacancy rates are lowest in Missoula and Bozeman. Missoula's rents, for example, have increased 100% since 1988.

There has been little new rental construction or rehabilitation in recent years, especially in major cities where Farmers Home Administration funds cannot be used (communities with populations in excess of 20,000). Unsubsidized, low cost rental units are simply not available in the areas where they are in the most demand.

■ NEEDS OF INDIVIDUAL RENTERS

All regions of the state have waiting lists for one bedroom and efficiency low-rent units. However, market analysis indicates that there are a greater number of single persons living in Montana's cities. Housing officials in Butte-Silver Bow, Great Falls, Kalispell, and Missoula reported that their communities were experiencing a shortage of low-rent units for individuals who make up 17.2% of all

households in the major cities and 14% of all households statewide. Market and inventory conditions also indicate that young adults in the major cities are less likely to own their own homes because single family homes are less affordable.

Programs Which Address the Needs of Individual Renters. There are 1,432 one bedroom and efficiency units of federally assisted housing for individuals under the Section 8 Program. The number of units available for individuals within public housing facilities and other projects developed by HUD and the Farmers Home Administration were not isolated from elderly or family units.

■ NEEDS OF FAMILY RENTERS

For the purposes of this report, a family is defined as a household of two or more persons. There is a growing number of Montana families who are in need of low cost rental housing. Waiting lists for subsidized family rental units are extremely long. Census data from 1990 summary tapes indicates that 51% of all households in Montana are families. HUD noted in its June, 1991 report entitled, A HUD Perspective of Montana, that 90% of persons waiting for housing in Billings were non-elderly and mostly families. Public housing officials in Missoula reported that 75% of their waiting list was comprised of families.

The waiting lists for rental units indicate that the greatest need is for two bedroom units and is of particular concern in Billings, Bozeman, Great Falls, and Missoula. Families requiring larger units (3 or more bedrooms) are waiting longer for fewer units. While the lists for larger units are not as long as for two and three bedroom units, the turnover rate is low and therefore large families remain on waiting lists for years.

Programs Which Address the Needs of Family Renters. There are a total of 6,978 units of federally assisted housing for families of which 657 are 3 or more bedrooms. Figures include units which are derived from both project based and tenant based assistance. More particularly, they include:

- | | |
|--------------------------------------|-------|
| • Public Housing Authority Units: | 1,067 |
| • Section 8 Units: | 2,208 |
| • Farmers Home Administration Units: | 721 |
| • HUD 221 and 236 Units: | 2,982 |

The figure for Section 8 includes certificates, vouchers, and moderate rehabilitation units administered by the state, and local public housing authorities.

Tenants are generally required to contribute 30% of their income toward each month's rent in Federally assisted units. In Montana the average rent paid by residents of Public Housing units is \$100.

Some of the family rental units in public housing authority facilities may be rented to elderly families or individuals. Further, because certain programs are paired in order to provide assistance, the number of units may be slightly inflated (e.g., Farmers Home Administration units may receive Section 8 subsidies).

Private developers of rental units for lower income families are eligible for a Federal Investment Tax Credit for low income housing. The credit, which is equal to 9% of the adjusted basis of the project (building cost less land costs), is administered by the Montana Board of Housing. The Tax Credit program has resulted in the development of 495 low income rental units. The Board also administers the Multifamily Bond Program. This program provides tax exempt financing for the development of rental units for lower income families and the elderly. The tax credit program financed the development of 668 units of multifamily and elderly housing between 1978 and 1982.

■ NEEDS OF ELDERLY RENTERS (ELDERLY FAMILIES AND INDIVIDUALS).

According to the 1990 Census, elderly Montanans (60 years of age or older) make up 30.4% of all Montana households. Information collected indicated that Billings, Kalispell, and Missoula have a shortage of housing for elderly renters. While there are larger concentrations of elderly persons living in rural areas, Montana's major cities also have large numbers of both elderly families and elderly individuals. For example, 21.5% of Kalispell's population is elderly. Butte-Silver Bow's elderly population percentage is slightly higher (21.9%); however, waiting lists for low-rent units for elderly persons in Butte are not as long.

In some cases, even when units are available, those units might be inaccessible to elderly persons; e.g., there may be no elevator access to upper story units. The Richland County Public Housing Authority noted, for example, that it had approximately 20 elderly persons on its waiting list because vacant units were not appropriate to the needs of those waiting.

The Governors Office on Aging also notes that it is difficult to isolate housing needs from other issues facing elderly Montanans including transportation, health care, and financial management.

Programs Which Address the Needs of Elderly Renters. There are currently 2,474 units of elderly rental housing in the state in the following categories:

• Public Housing Authority Units	909
• Farmers Home Admin. Units	924
• Farmer Home Congregant Care Units	15
• HUD Section 8 Units	283*
• Other HUD Units for Elderly	343

*Includes only those Section 8 Units specifically designated as elderly. Other vouchers and certificates may be held by elderly individuals or families, but have not been isolated. As stated in the family low-rent section above, the Montana Board of Housing has also assisted elderly renters.

■ PROGRAM GAPS FOR ALL RENTERS

Estimated incomes and number of low-rent units in Montana indicate that there is nearly a 30% disparity between the demand for low-rent units and the provision of such units. The actual number of persons experiencing rent burden in the state cannot be derived from current available 1990 census information. However, market and inventory information, when combined with the long waiting lists for publicly assisted units, indicates a gap in the provision of affordable rental housing to low income people in Montana.

State-wide Waiting List Information * :

• 1 bedroom and efficiency units:	1,090
• 2 bedroom units	4,543
• 3+ bedroom units	652

*The number of names on waiting list may be somewhat overstated. Often there are duplications from one waiting list to another. However, not all persons requiring rental assistance are represented on the list.

The need for publicly assisted units is concentrated in the seven major cities as defined in this report. For example, families on waiting lists in Montana's seven largest cities constitute 71.4% of the total number of families (3,711) waiting for rental housing.

NEED No. 2: REHABILITATION OF EXISTING LOW-RENT UNITS

■ GENERAL NEED STATEMENT

According to the telephone survey, many of Montana's non-subsidized low-rent units are in sub-standard condition. This is especially true for rural areas where there are less dynamic markets for rental units and rehabilitation financing is difficult to obtain. Housing officials in Hardin, Montana, for example, noted that 86% of the rental housing is sub-standard in some neighborhoods. Great Falls and Butte-Silver Bow housing officials have also indicated a large number of substandard rental units.

Many units carry high utility costs for tenants often associated with the fact that low-rent units have been constructed using electric heating systems. This may cost tenants an additional \$200 to \$300 per month to heat in the winter months.

While specific data regarding the condition of elderly rental units was not generally available, many housing managers noted that it was more difficult for elderly persons on fixed incomes to maintain their rental units.

Programs Which Address the Need for Rehabilitation of Low-Rent Units. Historically, there have been a variety of rental rehabilitation programs which provide varying incentives including mortgage insurance, federal matching funds, and guaranteed tenant bases. However, in recent years many of these programs have been diminished or eliminated.

The Community Development Block Grant Program (CDBG) provides funds for rehabilitation of rental units through local governments. Assistance is usually in the form of low interest loans to developers. The HUD Section 8 program, through a system of vouchers, certificates and direct subsidies, provides rental reimbursements to multifamily rental unit managers, up to the fair market rent for each unit, and can provide an incentive for rehabilitation.

The Montana State University Extension Service assists elderly through the Montana Seniors Energy Project. The primary goal of the project is to work with low income seniors to reduce utility bills, but also provides landlord education on the subject of responsible and low cost weatherization strategies.

The Low Income Housing Tax Credit Program administered by the Montana Board of Housing provides incentives for the creation of units of low income housing. This may be accomplished through the rehabilitation of existing units as well as through the construction of new units.

■ PROGRAM GAPS

Information regarding the current number of substandard rental units in the state is not available. However, housing specialists throughout the state identified the rehabilitation of existing rental units as a critical need and that current programs and financial resources were inadequate to address rehabilitation requirements.

NEED NO. 3: REHABILITATION OF EXISTING SINGLE FAMILY UNITS

■ GENERAL NEED STATEMENT

According to the telephone survey, in rural areas of Montana especially, older single family units continue to deteriorate. As evidenced in the market and inventory analysis, vacancy rates in rural areas are higher and owners are hesitant to invest in needed repairs because of less dynamic markets. When families do try to purchase these homes, they find that the homes are not qualified for federally insured mortgages because of their deteriorated condition.

According to the 1980 Census, 30% of the housing stock was constructed prior to 1940. While age is not necessarily an indicator of substandard condition, the State of Montana Building Codes Bureau maintains that homes constructed prior to 1940 are more likely to be susceptible to deterioration of the foundation, to exhibit inadequate roof support, and to experience drainage problems. In addition, many single family home owners experience higher energy costs because their homes are not properly weatherized.

Programs Which Address the Need for the Rehabilitation of Single Family Homes. The rate of home owner remodeling has varied from community to community. The CDBG Program has provided funds to rehabilitate 1,363 units of which 65% were homes occupied by low and moderate income persons. (The total number of CDBG assisted units is 1,413, and includes new rental and mobile home units). Other programs which have provided assistance for housing rehabilitation include the Farmers Home Administration Housing Preservation Grant Program and HUD's Section 312 Home Loan Program.

Through educational programs, the MSU Extension Service also addresses the issue of single family home rehabilitation. The Service has developed a self-guided, self contained Home Fitness demonstration program to teach home owners how to evaluate and perform their own home repairs. The program has been widely used to serve the elderly, American Indians, and CDBG. Additionally the Extension Service has developed self-contained resource materials featured in the Home Remodeling Planning Guide.

The Northwest Montana Human Resources of Kalispell has developed a furnace safety and efficiency program to provide education regarding the appropriate furnace operation and maintenance to homeowners. This program is a component of their overall Weatherization Program. The effort resulted in a 23% savings or 33 million B.T.U. reduction in consumption during 1989-90.

■ PROGRAM GAPS

Although information is not currently available regarding the level of need for the rehabilitation of single family units, housing officials interviewed at the local and state level noted that the problem is widespread and existing programs are not meeting the need.

The CDBG program remains one of the most widely used and critically important programs assisting low and moderate income homeowners with much needed repairs. However, funding has not been adequate to address the need. Other federal programs have suffered from diminishing fund allocations. As a result, only a very small number of homes have been rehabilitated in the state using public assistance programs.

NEED NO. 4: MORE AFFORDABLE HOMEOWNERSHIP OPPORTUNITIES

■ GENERAL NEED STATEMENT

Survey information indicates that a number of communities, notably Bozeman, Kalispell, and Missoula, are experiencing severe shortages in affordable single family homes. As in the case of rental housing, low and moderate income home buyers must compete with middle and upper income home buyers for a relatively fixed number of units. In areas where there has been a high demand for more homes, there has been little new construction in recent years. Where new construction is taking place, particularly in Bozeman, Kalispell, and Missoula, most new units are for middle and upper income buyers (\$90,000+). According to Don Chance of the Montana Building Industry Association, over the last four years, 34-37% of all new electrical permits issued in Montana (electrical permits are an indicator of building activity) have been issued in the Kalispell market area. The Hamilton/Ravalli County area and

Bozeman are also experiencing new residential construction. However, fewer new homes for lower income persons have been constructed.

In certain cities, the available housing stock has been diminished through gentrification. Lower cost housing has been converted to middle and upper income housing or to business establishments.

Further, the cost of existing single family housing is going up in certain areas as demand increases. In Bozeman, an annual income of \$33,500 would be required to support a monthly mortgage on the current average asking price for a single family home, i.e., the monthly mortgage payment would constitute a cost burden for those households earning less than \$33,500 per year. Analysis of household and income data indicates that this requirement makes homeownership unaffordable for approximately 59% of those persons living in Gallatin County where Bozeman is located. This condition is generally more prevalent in the major cities with the exception of the rural west where an annual income of \$29,200 would be required to support the mortgage on the current average asking price for a home (second only to Bozeman).

Where it might be a natural evolution for individuals and families to move from rental units into single family homes, it is not always possible. Even in those cases where the monthly mortgage payment would be significantly lower than rental costs in a non-subsidized unit, potential buyers often lack the funds for a down payment and other closing costs.

Conversely, affordable housing is generally more available in the rural areas of the state and in mid-sized communities (e.g., Miles City). However, qualified buyers — those who have the incomes to support homeownership — have difficulty finding qualified houses (e.g., those which meet FHA or VA guidelines).

Programs Which Address the Needs of First Time Home Buyers. The Montana Board of Housing provides low interest loans through the sale of tax exempt Mortgage Revenue Bonds. Borrowers are generally first time home buyers except in certain targeted areas. The Board also administers the Mortgage Credit Certificate Program (a tax credit for lower income individuals) and provides funds for down payment costs through its Home Buyers Cash Assistance Program. The home's purchase price may not exceed \$45,000 and the home buyer's income may not exceed \$20,000 per year in order to qualify for the down payment program. The Board has assisted nearly 18,000 home buyers since 1975 through its various programs. More information about the Montana Board of Housing is contained in the section on local and state resources.

HUD assists home buyers in making required repairs to homes through the Section 203(k) Rehabilitation Mortgage Insurance Program. Funds cover 100% of the program's closing costs and the debt service on the loan is incorporated into home mortgage payments.

An educational pilot program has been initiated by the MSU Extension Service entitled The First Time Round—Buying a Home. The program, developed by the University of Wisconsin Extension housing program, will be offered statewide in the future.

■ PROGRAM GAPS

While the Board of Housing programs have been very successful, they do require that homes meet standard FHA requirements for financing. As stated above, down payment assistance is limited to homes of no more than \$45,000. In certain areas of the state, homes in that price range are not available.

The HUD 203(k) program has been in place since the 1970's, but has not been used extensively in Montana. Recently, however, new rules have been passed to reduce the risk to lenders. However, there is still some concern over the amount of paper work and time required to secure a 203(k) loan.

The existing programs have not been adequate to spur development of affordable single family homes in areas where there are shortages, even though demand appears high. For example, in Bozeman,

in September of 1991, it was noted that there were in excess of 141 U-Haul units, carrying the personal belongings of individuals and families that simply could not find housing. While it is not known what percentage of those looking for housing were specifically looking for single family units, it is likely that many of them were simply unable to find affordable housing.

NEED NO. 5: REPAIR AND MAINTENANCE ASSISTANCE FOR ELDERLY HOME OWNERS

■ GENERAL NEED STATEMENT

Elderly Montanans constitute the largest single group of single family home owners. More than half (58%) of Montana's elderly population own homes. According to a recent study undertaken by the Governor's Office on Aging, 61% of those persons have lived in their homes at least 20 years. According to the 1990 census, 62% of Montanans over the age of 60 live in rural areas of the state, with the highest concentration in eastern Montana.

Elderly Montanans on fixed incomes are often unable to maintain their homes. They lack the financial or physical resources for normal repair and maintenance. As elderly home owners are less able to maintain their homes, their condition worsens. In Decent and Affordable Housing for All, a 1986 publication of the National Governor's Association, the authors note that

“... a higher proportion of older homes are subject to deterioration. For the poorest and oldest rural residents, the housing options available to them are narrow and often substandard.”

Housing officials around the state indicated that this was true of Montana as well. The Governor's Office on Aging indicated that elderly Montanans would often prefer to remain in their own homes and receive rehabilitation and maintenance assistance rather than move into low-rent units or with other members of their families.

Programs Which Address the Needs of Elderly Homeowners. The CDBG program provides grants and low interest loans to low and moderate income, elderly home owners for rehabilitation. These funds are available directly to entitlement communities—Great Falls and Billings—and through the Montana Department of Commerce for the remainder of the state. The Reverse Annuity Mortgage Loan Program of the Montana Board of Housing provides loans to elderly home owners by permitting the conversion of home equity to monthly payments which can be used for upkeep and maintenance as well as property tax payments. Actual numbers of elderly persons benefiting from these two programs are not available.

The MSU Extension Service addresses the need for repair and maintenance for elderly home owners through the Home Fitness demonstration program, which teaches the home owner to evaluate and make needed repairs and by making use of the Green Thumb program to actually make needed repairs. Also, the Extension Service has responded to the maintenance needs of the elderly with the Home Safe Home, Safety for Older Consumers, and the Do-Able Renewable Home programs which assist in evaluating and providing safe and accessible modifications. The Extension Service's Montana Senior Energy Project along with In Good Health with Energy assist the elderly by evaluating and providing safe and affordable weatherization modifications.

■ PROGRAM GAPS

The CDBG program is an excellent program for housing rehabilitation. However, the need for rehabilitation is greater than the funds available. The Reverse Annuity Mortgage Loan Program is a good source of income to make needed repairs and pay other occupancy costs. However, the home must

appraise at a minimum of \$18,750 (and no more than \$50,000) in order to qualify. At the minimum level, the elderly home owner would be provided with only a monthly payment of \$86. Given that many live in rural areas where home appraisals are often lower than in other areas of the states, the program may not provide enough assistance where it is needed most.

NEED NO. 6: ASSISTANCE FOR MOBILE HOME OWNERS

■ GENERAL NEED STATEMENT

For a large number of Montanans, mobile homes represent the only affordable housing alternative. As stated in the 'Market and Inventory' section, there are in excess of 50,000 mobile homes in the state and officials estimate there are between 1 in 5 and 1 in 7 persons in the state who live in mobile homes. While mobile homes do not necessarily constitute a housing condition problem, they are not subject to the same building code review as permanently constructed homes.

On the other hand, mobile homes are subject to local zoning regulations. This has been a difficult issue and has been subject to litigation (*Martz v. Butte-Silver Bow Government*, 1982). The Supreme Court held, in this case, that a zoning ordinance, under which only 6.7% of the zoned land area and 5.1% of the vacant land within the zoned area is available for the location of mobile homes, raises a constitutional issue regarding exclusion.

The issue of exclusion relates to the fact that communities must make sure that there are adequate areas for mobile home parks and single family zones which allow mobile homes. In other words, a local zoning ordinance regarding mobile homes does not become exclusionary until the end result is that people have no other place to go in their community for affordable housing.

Local governments need to review their land use policies to determine whether they are exclusionary with respect to affordable housing. Local governments similarly should provide reasonable and desirable areas for mobile homes and other manufactured housing within their communities.

The relationship between mobile home courts and mobile home owners is not regulated in Montana. Therefore, the condition of the courts and the contents of lease arrangements may often contribute to condition related problems. For example, leases often do not include proper eviction procedures and the responsibilities of court owners regarding upkeep and maintenance.

Programs Which Address the Needs of Mobile Home Owners: The CDBG program can provide assistance for the rehabilitation of mobile homes. The mobile home must conform to the following requirements in order to be eligible for rehabilitation with CDBG funds:

- the unit meets or exceeds the standards established by the National Mobile Home Construction and Safety Standards Act of 1974;
- the unit and the land it rests on is in common ownership; and
- upon completion of rehabilitation activities, the unit will be attached to a foundation which cannot reasonably be relocated and which conforms to the Montana Department of Revenue criteria for assessment as an improvement to real property for tax valuation purposes.

The MSU Extension Service has worked with several Human Resource Development Council programs in retrofitting mobile homes. Further efforts are underway to provide more retrofitting assistance to mobile home owners.

■ PROGRAM GAPS

Program Gaps in assistance for mobile home owners can not be determined at this time.

NEED NO. 7 : ASSISTANCE FOR SINGLE PARENT FAMILIES AND FAMILIES WITH SUPPORTIVE NEEDS

■ GENERAL NEED STATEMENT

Market and inventory data show that there is a growing number of single head of household families, and the majority of these households are headed by women. More particularly, there are 35,139 families with children or 17% of all family households in the state, which are headed by one parent. Of those, 75.6% are headed by single women and 24.4% by men. These families are having difficulty finding units which are affordable and provide supportive services. While precise numbers are not available, housing officials across the state noted that many families on waiting lists were families headed by one parent.

In the major cities, some PHA managers have noted that many of the families they serve are in need of services including counseling, day-care, chemical dependency programs, and employment assistance. Specific numbers of persons which require special assistance are not available.

Programs Which Assist Families With Supportive Needs. While there are a number of social service agencies in the state who assist families, programs which address the special housing needs of families have largely been the result of local initiatives. For example, the Missoula Housing Authority has undertaken a resident day care program and is working on economic development initiatives which are intended to address the shortage in rental housing.

In Hardin, the community has developed a Comprehensive Economic Development Master Plan which has a strong housing component. Bozeman and Billings have initiated the first "Operation Bootstrap" programs in the state to help families become less dependent on housing subsidies.

The MSU Extension Service offers an educational service to day care providers as a vehicle to addressing safe home day care. With the support of the Montana Children's Trust Fund and the Montana Department of Family Services, the Extension Services provides training on arranging safe home environments, home day care as a business, health and first aid, child development, and nutrition for children.

■ PROGRAM GAPS

Additional research is required to determine the number of families and other Montanans who require special services in conjunction with affordable housing. Given the large number of persons and families waiting for housing assistance, it is likely that there is a substantial gap between those needing assistance and those receiving help.

NEED NO. 8: MORE LOW-RENT CONGREGANT CARE FACILITIES FOR ELDERLY MONTANANS

■ GENERAL NEED STATEMENT

In all regions of the state, survey information indicated that there is a particular need for low-rent congregant care housing facilities for elderly Montanans. Congregant facilities are those which foster independent living while providing limited shared services such as meals, recreation facilities and on-call medical services.

The congregant care approach recognizes that elderly housing issues cannot be dealt with in isolation. For those elderly who do not wish to live in a nursing home but do require some assistance, congregant care facilities offer an attractive alternative. Montana needs congregant care facilities which address not only housing needs, but transportation, health, financial management, and nutritional issues as well.

Programs Which Provide Congregant Care Units. Congregant housing has been developed on a limited basis by the Farmers Home Administration. There are currently 15 federally assisted congregant units built through incentives provided by Farmers Home. There are also some privately developed congregant care facilities in the state, but the number of units provided is not available.

Educational services which inform the elderly about housing options and supportive services in their communities are available through the MSU Extension Service. The Extension Service works with senior citizens groups such as the American Association of Retired Persons to provide this service.

■ PROGRAM GAPS

The Governor's Office on Aging indicates that there is a growing need for congregant housing. The Office notes that there are many Montanans over 60 years of age who do not require nursing home care, but would like some shared services provided. Additional research is required to quantify the need for congregant care among the elderly.

NEED NO 9: HOUSING FOR DISABLED PERSONS/PERSONS REQUIRING SUPPORTIVE SERVICES

■ GENERAL NEED STATEMENT

As housing has become more scarce and less affordable, persons with disabilities join the many others on waiting lists for lower cost rental units and other subsidized units. In addition, those handicapped accessible units which are not subsidized are usually more expensive because of the increased square footage required to allow for wheel chair accessibility and other modifications.

The primary concern for handicapped persons is that housing units be accessible. Many of the units constructed in the state were developed without adequate accessibility. Many disabled persons requiring handicapped accessibility would prefer to remain in existing homes or apartments. Often these units require renovation in order to offer their residents easier access. The four county study conducted in western Montana and noted in the 'Market and Inventory' section, indicated that approximately twenty-five percent of the physically disabled population was not satisfied with the accessibility in their existing housing and that modification is required.

With regard to accessibility issues in mobile homes, it is not clear that mobile homes are currently constructed in a manner which allows for conversion to accommodate disabled persons. Further research is required to make an adequate determination on the ability to make mobile homes handicapped accessible.

Programs Which Address the Needs of Disabled Persons. There are 318 units of assisted housing for handicapped persons in Montana provided by the public housing authorities. The HUD Section 8 program provides rental assistance to disabled persons and the Farmers Home Administration has a number of units for disabled Montanans. However, precise numbers of units are not available.

The HUD Section 811 program (formerly a part of the Section 202 program) makes grants available to non-profit organizations to expand the supply of specially designed housing with supportive services for persons with disabilities. The CDBG program can also provide funds to low and moderate income persons for modifications to their homes to make them more accessible.

Educational materials and programs regarding handicapped accessibility are available through the MSU Extension Service. Accessibility standards are provided through the Extension Services through remodeling workshops and the Home Remodeling Planning Guide. Specifications regarding adaptive equipment are available to the public through a computer data base called Able Data. In addition, the Extension Service provides a monthly publication entitled Caregiver's Chronicle which provides

information about caring for aging parents and disabled persons. Finally, in cooperation with the USDA, the Easter Seal Society of Montana, RTC-Rural, and Wyoming and Idaho Extension Services, the MSU Extension Service has created a community-based rehabilitation project providing education and assistance for farmers and ranchers with disabilities. Education and technical assistance on home accessibility and modifications are a component of the project.

■ PROGRAM GAPS

The lack of development of low income rental housing has affected disabled persons as well. While incentives exist for developing units, they are not adequate to address the shortage of accessible units or units with supportive care. There are also instances where units which are accessible to handicapped persons are being used to house persons without disabilities. For those persons who choose to stay in their own homes, there are not adequate sources of funds for accessibility related modifications.

If we use 1980 census information, we can assume that approximately 45,000 Montanans have disabilities which prevent them from working or traveling. If we assume that many disabled Montanans live at or near the poverty level, it is likely that the number of affordable living units for handicapped persons falls far short of the need.

NEED NO. 10: HOUSING FOR HOMELESS PERSONS

■ GENERAL NEED STATEMENT

While the precise numbers of homeless persons in Montana is not available, housing officials note that families in some locales are being housed for short periods in hotels. In other cases families are divided and placed in shelters designed for single men and women. Most facilities do not provide shelter for more than 30 days, which is not long enough to find permanent housing given the shortage in rental units in most regions of the state.

According to the Comprehensive Homeless Assistance Plan, prepared by the Montana Department of Social and Rehabilitation Services in 1990,

“The “new poor” are defined as those who have been until recently, tax-paying citizens and now are out of work, savings and sometimes home...”

Some of the increase in homeless persons has resulted from the fact that many are engaged in seasonal work. The winter months bring joblessness and homelessness to many Montanans.

Many de-institutionalized mentally ill and handicapped persons are without housing that is supervised by professionals. Unable to find appropriate and affordable housing, they are ultimately reinstitutionalized or join the ranks of the homeless. There have been few transitional living units developed or units which provide supportive services to persons with emotional disabilities or problems with chemical dependency.

Additional information is required to quantify the actual numbers of persons statewide who are homeless and in need of special services.

■ PROGRAMS WHICH ASSIST THE HOMELESS

The Montana Department of Social and Rehabilitation Services (SRS) administers the Federal Emergency Shelter Grant (ESG) Program under the Stewart B. McKinney Act. The ESG Program provides Montana with about \$100,000 annually which is distributed to Human Resource Development Councils (HRDC's) throughout the state. Eligible activities are itemized in the section on CHAS covered programs in the appendix.

SRS also administers the Emergency Community Services Homeless Grant Program under the Stewart B. McKinney Act. The Program is intended to expand services to homeless individuals through the provision of follow-up and long-term services to help them out of poverty; the provision of social and maintenance services; and the promotion of private sector involvement in homeless assistance. Funds are distributed through HRDC's to assist in accessing other services to fill community gaps.

Approximately 14 shelters statewide receive funds to help finance their operations. The number of shelters funded annually, and the number of homeless people they help varies depending upon the level of federal assistance received.

The State of Montana issues a limited number of Section 8 vouchers for the homeless.

■ PROGRAM GAPS

As valuable as the Emergency Shelter program has been, demand for the program far exceeds the amount of aid available. As described more fully under Problem No. 5 in the policy section of this report, rural, sparsely populated states such as Montana do not realize the same level of benefit from McKinney programs as do more populated states.

NEED NO. 11: HOUSING FOR PERSONS WITH AIDS

■ GENERAL NEED STATEMENT

Montana has had 107 documented cases of AIDS. While there has been no study of the specific housing needs of persons with HIV related diseases, some of the victims have also been physically disabled by the disease and require handicapped accessible units with supportive services. Some AIDS patients have also been subject to housing discrimination.

Programs. None

C. MONTANA'S HOUSING PROBLEMS

There is a gap in the provision of affordable housing in the State of Montana. Existing programs are not currently meeting the demand. The following discussion includes a description of the five most critical housing problems at the root of the gap and potential solutions which can be employed in addressing them. The solutions are intended to provide a starting point for planning the state housing strategy. They are presented in a manner which addresses the five major state housing problems but are not necessarily listed in order of priority.

PROBLEM NO. 1: MONTANA HAS A SHORTAGE OF LOW-RENT AND SUBSIDIZED RENTAL HOUSING UNITS FOR ALL GROUPS OF PEOPLE

■ PROBLEM DESCRIPTION

Public housing authorities in Montana have not been able to keep up with the demand for affordable rental housing for lower income persons. Waiting lists in the major cities are extremely long, especially for families.

The HUD Section 8 program provides far fewer units than are required. Every administrator of Section 8 subsidies in the state reports waiting lists for families. Many Section 8 units tend to be smaller and cannot easily accommodate larger families.

Housing officials also noted that Section 8 vouchers are issued to the tenants themselves, independent of a particular unit. The potential exists for those holding vouchers to take them with them when they leave the community. Housing officials are not issued new vouchers, and as a result, the community is less able to address low-rent housing needs. This problem is especially difficult for rural areas where people are leaving in greater numbers to find employment in larger communities. The Bear Paw Development Corporation in northern Montana noted that when tenants can take their vouchers with them, Section 8 program managers are unable to provide assurances of occupancy to developers who need to borrow funds in order to rehabilitate their units.

■ POTENTIAL SOLUTIONS

In areas of the greatest need, more units of publicly assisted housing should be built. The process should be an expedited one given the length of waiting lists for lower income individuals and family rentals in Montana.

It is clear that more affordable units of multifamily rental housing must be created. The lack of available, affordable rental housing is at a crisis level in many parts of the state. Rental housing programs must be directed toward the development of new units through new construction and substantial rehabilitation of existing units. The new federal HOPE and HOME programs (referred to in the appendix of this report in the section entitled CHAS Covered Programs) offer extensive opportunities for addressing the needs of low and very low income families.

The Section 8 voucher system does not guarantee that the assistance will stay within a community since families take vouchers with them when they move. Periodic review of voucher distribution by HUD and the State of Montana would help determine if additional vouchers should be issued.

Where possible, program access and administration should be simplified. Educational programs which assist lenders, program managers, and renters in understanding how they may access federal and state programs are critical. Efforts should be made wherever possible to reduce the time for approval and to simplify complicated program applications.

In Billings, the local government has employed an "expediter" who assists developers in meeting all local requirements including building permits, zoning restrictions, and system fees (water, sewer, utilities, etc.). Other communities could benefit from this approach to development.

It has also been suggested that zoning restrictions on numbers of multifamily units constructed per project include provisions for density bonuses. Density bonuses can, for example, permit an increased number of units per multifamily project, if those units are rented to lower income families.

Multifamily housing needs should be an integral part of the local community master planning process to assure that there is enough land which is properly zoned for low-rent units.

Non-profit organizations can provide a great deal of impetus for implementing housing policy. They can assist renters' organizations and housing officials in developing more multifamily housing for their communities. This can be accomplished through housing advocacy programs, educational efforts, overall organization and outright sponsorship of low income multifamily housing construction in some cases.

PROBLEM NO. 2: MONTANA HAS A SHORTAGE OF AVAILABLE CAPITAL TO BUILD AN ADEQUATE NUMBER OF AFFORDABLE HOUSING UNITS

■ PROBLEM DESCRIPTION

There has been little new construction or rehabilitation of existing housing units in recent years. HUD noted in its June, 1991 report entitled, *A HUD Perspective of Montana*:

"There is little new development of apartments in the state. Refinancing of existing projects is also slow because of low market values and constrictive underwriting requirements for available programs. Importation of capital into Montana via conventional sources is scarce. Local lenders shy away from lending on government projects because of their size and the lenders' lack of knowledge about HUD programs."

Further, the 1986 Federal Tax Reform Act eliminated a number of investment incentives including the provisions effecting capital gains exclusions, accelerated depreciation and passive income issues. For example, the investment tax credit for the rehabilitation of older buildings for income purposes including multifamily housing has been severely impacted. The Montana State Historic Preservation Office, which manages the program, notes that the number of projects has diminished sharply since 1986.

Often real estate development financing is derived through the use of limited partnerships. The investment incentives for limited partnerships were all but eliminated through provisions in the 1986 Act. This has resulted in the development of fewer multifamily units aimed at benefiting lower income Montanans.

According to the Montana Building Industry Association, the loss of federal tax incentives associated with multifamily construction in 1986 is now resulting in a serious rental housing shortage in a number of Montana jurisdictions.

Some areas of the state cited higher "outside" costs as a contributing factor to the lack of development of multifamily units. These include service hook-ups and compliance with various local land use regulations. However, all agreed that the overriding issue has been the loss of important federal incentives which guarantee an adequate rate of return for the development of multifamily housing.

In many areas, especially those where there is a high demand for all types of rental housing (college communities, tourism communities, and communities which offer regional medical and social services), housing officials noted that fair market rents under the Section 8 program were too low to be of interest to private developers.

■ POTENTIAL SOLUTIONS

Financial resources must be committed to the development of affordable housing units, and private developers must be guaranteed an adequate return on their investment. Federal and state programs which facilitate this process should be retained and expanded.

Where possible, HUD fair market rents (FMR's) should be analyzed by HUD in relationship to the actual market. Where FMR's are below the non-subsidized rents being charged in a community, adjustments should be made so that property managers are willing to continue to provide low-rent units.

Currently, allocations for the rehabilitation of affordable rental housing from the CDBG program are limited by fund availability. The state of Montana sets aside a percentage of each year's CDBG funds for economic development. Remaining dollars are allocated between housing and public works projects. Increased funding from HUD for CDBG activities aimed at providing affordable housing through rehabilitation should be encouraged.

The success of the Section 8 Program will continue to depend on the willingness of private developers to provide more units. However, those developers will be more likely to provide units if they are guaranteed the availability of subsidies through Section 8. Montana housing officials stress the need for more project based assistance rather than tenant based to assure ongoing financial solvency for project managers.

The continued use of the low income tax credit for the development of low income multifamily housing is encouraged. Extension of this incentive by the U.S. Congress is extremely important to the development of affordable units.

PROBLEM NO. 3: LOW AND MODERATE INCOME INDIVIDUAL AND FAMILY RENTERS IN MONTANA ARE INCREASINGLY UNABLE TO BUY HOMES

■ PROBLEM DESCRIPTION

Many low income families currently living in rental housing would like to move into a home. In many cases, the monthly mortgage payment would be significantly lower than rental costs in a non-subsidized unit. However, they often lack the funds for a down payment and other closing costs. Further, in order to qualify for participation in various programs (Montana Board of Housing, FHA, VA) the house itself must be qualified. Often qualified buyers simply cannot find a qualified house which they can also afford.

Further, as stated in the needs section, most new construction has been characterized by the building of higher priced homes. Increasing overall demand and gentrification has made the cost of existing housing costs increase as well.

■ POTENTIAL SOLUTIONS

The newly established HOPE and HOME programs (discussed in the section entitled CHAS Covered Programs in the appendix) will provide new sources of funds to assist first time home buyers in securing affordable housing.

The HUD 203(k) program, which assists home buyers in making repairs to homes in order to qualify for mortgage assistance, should be more widely utilized. The loan limitations contained in the program should be reviewed to reflect inflationary effects on the cost of renovation and compliance work.

Additional research into alternative building materials to decrease the cost of housing for families should be supported. Minimum requirements for room square footages in single family dwellings might be altered in order to decrease the cost of housing.

Neighborhood Housing Services in Great Falls noted that families on Social Security Income were unable to save for a down payment on the purchase of a house because of certain regulations which dictate the size of a savings account in relationship to the amount of monthly SSI payments received. HUD and the Social Security Administration may wish to review policies which may result in disincentives to homeownership.

The Montana Board of Housing may want to review its home purchase cost requirements, specifically the \$45,000 purchase price maximum allowed for down payment assistance, in light of increasing housing costs statewide.

PROBLEM NO. 4: MONTANANS HAVE LIMITED RESOURCES TO FINANCE HOUSING MAINTENANCE AND IMPROVEMENTS

■ PROBLEM DESCRIPTION

Funding is limited for improvements to homes and rental units, especially for elderly persons, persons who require special modifications for handicapped access, for those experiencing high energy costs, and for those homes which are in violation of building codes.

■ POTENTIAL SOLUTIONS

The State must identify programs which can assist elderly persons who wish to stay in their own homes. These might include special community projects which employ persons to make needed repairs. CDBG funds may be used to leverage private dollars to establish revolving loan/grant funds. Under such a program public and private dollars could also be made available to senior home owners to make repairs. As with the Reverse Annuity Program, the loan would be repaid when the house was sold.

Accessibility is a critical issue for many disabled persons. Accessible housing must be developed for disabled persons which takes into account their needs for accessibility. The development of capital resources is required to assist home owners and rental unit managers in the rehabilitation of existing units to provide accessibility. Both remedial and compensatory projects which accommodate the accessibility costs for property managers, landlords, and home owners with disabilities are critically needed. Further, disabled renters need more assistance in rental deposits so that once units are available, initial occupancy costs are not prohibitive.

A statewide data base which identifies all handicapped accessible living units in the state would be extremely helpful to disabled persons, housing managers and other housing advocates. Housing discrimination continues to be a significant obstacle for people with disabilities. It has been suggested that programs which test for discrimination be expanded and that housing development projects be monitored for compliance with federal statutes regarding the number of accessible units.

Given the high cost of space heating in Montana, it has been suggested that greater emphasis be placed on the energy efficiency of rental units to assure lower utility costs to tenants. Multifamily projects which use innovative heating and cooling systems which emphasize conservation should be given preference.

Finally, given the age of Montana's housing stock, programs which emphasize the alleviation of code related problems should be encouraged.

As appropriate, the new programs established under HOPE and HOME (see appendix, CHAS Covered Programs) can be employed to address these issues.

PROBLEM NO. 5: MONTANA HAS INADEQUATE RESOURCES TO MEET THE NEEDS OF THOSE PERSONS REQUIRING SUPPORTIVE AND TRANSITIONAL SERVICES

■ PROBLEM DESCRIPTION

Homeless individuals and families and persons with disabilities require supportive services in conjunction with the provision of affordable housing. In particular, those persons with non-mobility related disabilities often require extensive special services, particularly those which are chronically homeless, chemically dependent, and mentally disabled.

■ POTENTIAL SOLUTIONS

As is the case for most rural, sparsely populated states, Montana has suffered from inequitable funding for programs authorized under the McKinney Act. Many of the programs authorized appear targeted to more populated, urban states. The level of matching funds required and the staffing capabilities to compete for these funds has states like Montana at a distinct disadvantage. It is hoped that the Congressional requirement that HUD explore the feasibility of block granting more of these programs will address this inequity.

Preventative measures to keep people in their homes are most desirable. Funds for short-term, payment of mortgages until families find new employment would reduce the numbers of homeless persons significantly. As with other types of rental housing, incentives must be expanded to attract private dollars for the construction of additional transitional units.

The construction and rehabilitation of units to assist the homeless must occur coincidentally with the expansion of supportive services to deal with persons who are chronically homeless, mentally unstable, and chemically dependent.

Finally, a number of communities in the state identified the need for additional Single Room Occupancy units or SRO's. The HUD Section 8 program allocates funds for SRO subsidies. However, the program requires applications in response to a Notice of Funds Available or NOFA. Information about this program must be more widely distributed. Non-profit organizations and other advocates should work with local governments and other housing officials to secure these funds for Montana communities.

With regard to those housing issues associated with persons who have HIV positive related problems, Montana Department of Health officials stressed the need to make prevention of the disease a priority. Given that many AIDS victims have physical disabilities resulting from their illness, they face many of the same accessibility and discrimination issues which other physically disabled persons confront. Preventative measures, including the expansion of public education programs will mitigate the increased need for special housing units for persons with AIDS in the future.

D. POLICY AND REGULATORY ISSUES AND BARRIERS

Meeting the housing challenge in Montana will mean addressing both the barriers and incentives for development as dictated by public policy. An analysis of land use issues, building requirements, taxation, and intergovernmental coordination, and their relationship to affordable housing is critical to a comprehensive housing strategy.

D.1 LAND USE ISSUES AND AFFORDABLE HOUSING

In July, 1991, the U.S. Department of Housing and Urban Development (HUD) published a report entitled "Not in My Back Yard": Removing Barriers to Affordable Housing. The report, prepared by the Advisory Committee on Regulatory Barriers to Affordable Housing, concluded that exclusionary and discriminatory zoning, excessive development standards, and expensive and time consuming permit approval procedures can be responsible for raising housing costs by 20% to 35% in some communities.

It is not always easy to determine those particular regulations which might be considered excessive or unnecessary. Zoning has been employed in many communities to separate incompatible land uses and to preserve property values. In recent years, communities have looked at historic mix-used patterns (in Oregon for instance) and found that separating certain land uses can be destructive to a community (i.e. small scale commercial development and multifamily residential). Excluding mobile homes from certain residential zones can be considered discriminatory as the state of Montana learned in the Supreme Court Case *Martz v. Butte-Silver Bow Government* (described more fully in the Montana Housing Needs Section of this report).

A subdivision ordinance which requires a 40-foot road width drives up the cost of a lot for a home buyer. According to the Montana Building Industry Association, there is a shortage of affordable lots which in turn is driving up the cost of housing in Montana's major markets. However, road width regulations are intended to allow for easy access of emergency vehicles and personnel and for on-street parking.

While national research has indicated that certain types of land use regulation can, under some circumstances, increase the cost of housing, this is not necessarily the case in Montana. According to Robb McCracken, Administrative Officer, Community Technical Assistance Program of the Montana Department of Commerce, compared to most urban states and some rural states, Montana land use regulations are minimal. In addition, there are many allowable exemptions in the Montana statutes.

It is important to note that additional research is required on the relationship between land use and affordable housing. One can not isolate housing affordability issues from other public responsibilities which include safe housing for the home owner and the need to protect the safety of the neighborhood.

In many cases, unregulated housing development can actually cost the consumer more than housing construction which is subject to proper regulation. For example, in Montana, residential construction of one to four units is exempt from building code requirements, unless a local government has adopted a code enforcement program. Many unregulated rural homes have improper, unsafe and substandard foundations. It is far more costly for the home buyer to fix a problematic foundation than to buy a house subject to building codes. The cost to survey a rural building lot (19 acres) as part of a 5 lot regulated subdivision would be \$1,800 vs. \$3,500 to \$4,000 for a single lot survey.

The HUD "Not in My Back Yard" (NIMBY) report cited several potential regulatory barriers to the provision of affordable housing, some of which may be applicable in Montana:

1. Community Comprehensive Plans

The preparation of local comprehensive plans is optional under state law. The majority of Montana's counties (36 counties out of a total of 56) and many municipalities (44 municipalities out of a total of 128)

have prepared some sort of comprehensive plan to guide community development and land use regulation. The majority of these plans include a “housing element.” However, many of these plans may not specifically address the issue of housing affordability.

The HUD NIMBY report recommended that States mandate local comprehensive planning and establish “a requirement that each locality have a housing element subject to State review and approval.” The Department of Community affairs (the predecessor to the Department of Commerce), proposed statutory minimum requirements for the content of local comprehensive plans, including housing and land use elements. However, that legislation did not pass. More recently, a bill requiring mandatory local planning, which included minimum requirements for plan contents, was proposed and defeated during the 1991 Montana legislative session.

2. Subdivision Regulation

Subdivisions are regulated under the Montana Subdivision and Platting Act (MSPA). MSPA requires all local governments to have subdivision regulations. Those local governments which did not comply by 1974 had locally binding regulations adopted for them by the Montana Department of Community Affairs.

Given that there are 18 exemptions provided by the MSPA, only 10% to 20% of the land divisions (new development and housing development) in Montana is subject to review and regulation. No Montana-specific information is available on the relationship between affordable housing and subdivision law. However, costs which are the responsibility of the developer under MSPA (many of the “outside” costs including streets, utility hook ups, etc.) would otherwise be the responsibility of the home owner.

3. Zoning

There are three separate Montana zoning statutes. Municipalities are authorized to use one statutory form of zoning. All forms of zoning are legally optional, although most of the medium sized and all of the large municipalities have jurisdiction-wide zoning. A total of 21 municipalities out of a total of 128 have zoning. They include Anaconda, Belgrade, Billings, Bozeman, Butte-Silver Bow, Columbia Falls, Dillon, Ennis, Fort Peck, Great Falls, Hamilton, Helena, Kalispell, Lewistown, Livingston, Miles City, Missoula, Shelby, West Yellowstone, Whitefish and Wibaux. No county has jurisdiction-wide zoning. However, Flathead, Gallatin, Lewis and Clark, Missoula, Ravalli, and Stillwater counties have patches of county initiated or citizen initiated zoning districts. Zoning can regulate the location of new housing, the density of new housing, and the type of housing provided.

The “development permit system” is a new type of land use regulation, legally based on the power of counties and municipalities to zone. From a practical perspective, however, permit system regulations are normally very different from traditional zoning. The permit system regulations can be used to regulate the location, density and type of housing provided. Missoula’s Reserve Street area is the only area within a municipality in the state which has used this system. Carbon, Cascade, Choteau, Phillips, and Teton counties have development permit systems.

4. Impact Fees

One issue highlighted by HUD in the NIMBY report was the charging of “impact fees” to help provide adequate infrastructure for housing developments and new subdivisions. According to the Montana Building Industry Association, such fees range from \$400 to \$4,000 depending on the municipality, and can raise housing costs by 2% to 10%.

However, municipalities imposing those fees have recognized that without proper infrastructure development, home owners and landlords may face costly improvements such as conversion from septic

systems to sewer service. Troy, Montana, for example, is currently trying to raise the necessary capital to install a municipal sewer system.

Housing Development Associates (HDA) of Billings noted that while development fees or impact fees can sometimes be high, it was important that developers adequately participate in the overall cost of housing construction. HDA felt that in Montana these fees were not excessive or a deterrent to development.

Given the disparity of opinion on the issue of impact fees, this issue should be given additional attention in the 1993 CHAS.

D.1a Potential Land Use Solutions

Zoning regulations typically regulate the size of building lots. In terms of affordable housing, a smaller lot size would result in a lower land cost. Therefore, it is appropriate to ask whether the minimum lot sizes and other density restrictions in local government zoning regulations are unreasonable, and therefore unnecessarily costly. Lot size regulations are intended to allow for easy access of emergency personnel and to provide for adequate light and air. This can be accomplished, in many instances by using the zero lot line technique which eliminates one side yard per house in an alternating fashion, yet still providing for space between dwellings. Further research is required, however, to determine if this method of reducing lot size requirements is a viable solution to substantially reducing housing costs.

Approximately one of five housing units in Montana is a mobile home. For many lower income families, mobile homes provide the only affordable housing option. Montana communities should be encouraged to review their local zoning and subdivision ordinances to assure that mobile homes are treated equitably. It is not currently known whether local governments have enough land available for mobile homes in reasonable proximity to schools, shopping, and services. Research should be directed to determining the availability of sites and whether or not local government regulations have discouraged the development of appropriately sited mobile homes in new subdivisions.

Montana communities should be encouraged to review their local comprehensive plans to assure that their housing elements contain objectives which are responsive to the housing affordability issues for lower and moderate income families. This is especially important since local comprehensive plans are normally used as a basis for the adoption of local zoning ordinances. In addition, most local subdivision regulations require that subdivisions conform to the local comprehensive plan. Local officials should review local plans to assure that sufficient land area is reserved for housing, including multifamily units and mobile homes, whether sited on individual lots, or located in mobile home parks.

The Local Development Assistance Division of the Montana Department of Commerce has a number of publications to assist local governments in preparing comprehensive plans, zoning ordinances, and subdivision regulations.

D.2 BUILDING CODES AND AFFORDABLE HOUSING

Local governments may be certified to locally enforce the state adopted building code which is based on the Uniform Building Code (UBC). For those local governments not certified, the Department of Commerce (DOC) regulates building activities. However, certain types of buildings, such as any dwelling of four units or less are exempt from the DOC regulation. In contrast, certified local governments (including 54 municipalities and 2 counties — Butte-Silver Bow and Richland — may regulate buildings of less than four dwelling units (i.e., single family homes, duplexes, etc.) as well as other structures. However, the majority of local governments in the state are not subject to building code regulation of residential structures with four or less dwelling units.

Of particular concern in the HUD NIMBY report was the proliferation of local building codes which varied widely from community to community. Montana has already responded to this concern by adopting several model codes statewide including the National Electrical Code, the Uniform Plumbing Code, the Uniform Mechanical Code, the Uniform Building Code, and the One and Two Family Dwelling Code. Montana communities do not have the authority to adopt building code standards in addition to the model codes adopted statewide.

D.2a Potential Building Code Solutions

Building codes regulate the size of rooms in dwellings, materials used, quality of construction, and load-bearing ability of beams and components. Minimum square footage requirements contained in building codes are of particular concern in determining affordability. Smaller homes are typically more affordable. Research is required to determine whether minimum square footage requirements in building codes are excessive for single family dwellings.

“Modular housing” is factory-built housing that meets building codes and can be structurally equivalent to conventionally built homes, while providing a less expensive alternative to home buyers. Local officials should review local ordinances to assure that appropriately built modular housing units are treated in the same fashion as conventional “stick built” homes.

D. 3 TAXATION ISSUES AND AFFORDABLE HOUSING

Information on the role which taxation plays in affordable housing was not readily available. It is important to note that Montana relies heavily on real estate taxes to support services and public education. Overall reductions in real property taxes would not constitute a feasible approach to making housing more affordable.

The Montana Building Industry Association has noted that Montana’s workers’ compensation rates are the fastest growing cost component in new home and multifamily construction.

D.3a Potential Tax Related Solutions

Further analysis of Montana’s fee and taxation structure will be required before any public policy recommendations are made.

D.4 INTERGOVERNMENTAL AND ORGANIZATIONAL COOPERATION AND COORDINATION

Housing officials at the state and local level agree that the coordination of various housing programs statewide is critical to the development of a successful housing program. Currently, housing programs are located in a number of state agencies. The Montana Board of Housing (the state’s housing finance agency), the HUD CDBG program, and Section 8 programs are under the Montana Department of Commerce. The Department of Commerce acts as a public housing authority to issue Section 8 vouchers, certificates, and other subsidies. Individual housing authorities in a number of communities are also issued Section 8 certificates and vouchers directly from HUD, which they manage without state involvement. The Montana Department of Social and Rehabilitation Services provides assistance through two programs established by the McKinney Act. The Governor’s Office on Aging studies issues facing elderly Montanans including housing. The various federal agencies which deal with housing, notably HUD, FmHA, and the Veterans Administration do not regularly interact with each other.

D.4a Potential Coordination Solutions

In order to allow for a more comprehensive approach to housing, formation of a state housing coordinating committee with representatives from various federal, state and local entities involved in housing is imperative. The committee should include representatives from tenant based organizations and other organizations which represent tenant, home owner, financial institutions, and developer interests. The committee would be involved in undertaking needs assessments, identifying resources, coordinating public policy as it relates to housing, and in producing the CHAS document as per HUD's requirements.

The coordinating committee should also include American Indians, non profit organizations, and other housing groups which manage their own housing programs and are eligible to receive Federal Funds. In fact, such organizations are the only eligible applicants for some federal programs including HUD Section 202 (elderly housing) and Section 811 (housing for the disabled) funds.

Further, a critical component to successful housing development, is the presence of active organizations which assist in providing information to housing officials, tenants, home owners, and developers about programs, eligible activities, and appropriate applicants. Montana would benefit from greater access to many existing programs. A variety of organizations currently exist which can foster a stronger relationship between program managers and the constituencies — very low, low, and moderate income persons, families, and those with special needs — which they are intended to serve.

Organizations and agencies currently active in housing issues include the Montana Peoples Action, Coordinator of Indian Affairs at the Montana Department of Commerce, The Governor's Office on Aging, the Montana Low Income Coalition, the National Organization of Rehabilitation and Housing Officials (NAHRO), Neighborhood Housing Services, and a variety of locally based organizations. These organizations should be encouraged to work with the state coordinating committee to help direct state housing policy as well as to assist the various constituencies which are seeking affordable housing.

Developing broad support for a comprehensive state housing policy will more likely result in the commission of additional state resources. However, Montana's lack of available capital requires the state to make full use of federal and state programs to provide affordable housing and housing for persons with special needs. More particularly, there are federal sources which Montana is not currently utilizing. Often local agencies or non-profit organizations lack the required matching funds and sometimes the technical expertise to prepare proposals. The state housing committee would help direct limited resources to leveraging more outside dollars through the direct provision of technical assistance.

In summary, the housing committee might be charged with the following activities:

- Maintaining an accurate and up-to-date data base of information related to state housing conditions and needs as they pertain to:
 - Families
 - Individuals
 - Elderly persons
 - Disabled persons
 - Persons requiring special services
 - Persons with AIDS
 - Homeless persons
- Undertaking yearly updates to the State CHAS
- Monitoring the housing activities as they relate to the CHAS and to overall state housing policy
- Coordinating various state housing programs
- Establishing an information network in conjunction with state and local organizations

- Developing state public policy initiatives related to housing in conjunction with local and state organizations
- Identifying programs and resources to implement housing strategies
- Providing technical assistance to organizations and communities in conjunction with local and state organizations

D.5 CONCLUSIONS

Those barriers and development incentives which affect the provision of affordable housing require additional review and analysis. The 1993 CHAS document should reflect a more comprehensive review of these issues. Where appropriate the 1993 CHAS should recommend actions to reduce or eliminate potential regulatory and policy barriers to the provision of affordable housing.

E. INVENTORY OF HOUSING PROGRAMS, FACILITIES, AND ASSISTED UNITS

E.1 PROGRAMS

E.1a CHAS COVERED PROGRAMS

Applications for the following HUD funded programs will require certification through the newly mandated state Comprehensive Housing Affordability Strategy (the CHAS). In addition, applications submitted for these programs by entitlement communities will have to be certified as to their compliance with a local CHAS document. In Montana this will pertain to Billings and Great Falls.

■ CDBG Entitlement Program

General: This program funds activities which benefit low and moderate income persons in the areas of neighborhood revitalization, economic development, and public works.

Objectives: Priority is given to projects which benefit those persons in the low and moderate income categories, aid in the elimination of slums and blight, and which address other urgent community development needs for health and welfare for which there are no other financial resources available.

Activities:

- acquisition of property
- relocation and demolition
- rehabilitation of residential and non-residential property
- construction of public facilities
- conversion of schools for eligible purposes
- public services
- activities related to energy conservation and renewable energy
- assistance to profit businesses for economic development activities

Ineligible Activities:

- government buildings
- political activities
- income payments
- new housing and other facilities offering 24 hour care

Eligible Applicants:

- standard metropolitan statistical areas (SMSA's)
- urban counties (200,000) excluding entitlement cities
- cities with populations of at least 50,000

Contact: HUD Office of Community Development and Planning
Denver, Colorado (303) 844-5278

■ CDBG State Program

General: Each state has the opportunity to administer non-entitlement CDBG funds. States electing to participate in the CDBG program make grants only to units of general local government that carry out development activities. Each state must develop funding priorities and criteria for selecting projects and have three major responsibilities: developing Community Development objectives; deciding how to distribute funds among communities in non-entitlement areas; and ensuring that recipient communities comply with applicable state and federal laws/requirements.

Objectives: The primary objective of the CDBG program is to develop viable urban communities by providing decent housing and a suitable living environment and by expanding economic oppor-

tunities, principally for persons of low and moderate income. Sixty percent of the funds must be used for activities which benefit low/moderate income people.

Activities:

- acquisition of property for public purposes
- construction of public works projects
- demolition
- rehabilitation of public and private buildings
- public services
- planning activities
- assistance to non-profits for community development activities
- assistance to for-profit business for economic development activities

Ineligible Activities (same as for entitlement communities)

Eligible Applicants

- states (re-granting to local governments)

Contact: Montana Department of Commerce

CDBG Program Office, Gus Byrom (406) 444-3757

■ HOME Investment Partnership Act

General Purpose and Objectives: The Home program seeks to expand the supply of decent, affordable housing for low and very low income families with emphasis on rental housing, to build state and local capacity to carry out affordable housing programs, and provide for coordinated assistance to participants in the development of affordable low income housing. Montana's allocation for Fiscal Year 1992 is \$3,981,000.

Activities:

- rehabilitation
- substantial rehabilitation
- new Construction (some for large families, single room occupancy units (SRO's), handicapped units, etc. based on formula allocations)
- acquisition
- tenant based rental assistance

Ineligible Activities:

- administrative costs
- non-federal match
- tenant-based assistance in conjunction with other programs

Targeted groups:

Rental Units

- 90% of funds to families not exceeding 60% of median
- Remaining funds to families not exceeding 80 percent of median
- 20% of the units must go to very low income families paying no more than 30% of adjusted income or paying no more than the gross rent as determined by the Low Income Tax Credit Program
- Rents may not exceed the lesser of:
fair market rent (FMR), or 30% of adjusted family income of a family at 65% of median
- Units to remain affordable for the life of property or as HUD deems feasible

Homeworkership

- 100% of funds to families below 80% of median
- Funds are available to only first time home buyers
- The home must constitute the family's principal residence

Applicants:

Formula grants: 60% to cities and counties, 40% to states. Each grantee must set aside 15% to non-profits and 1% to Indian tribes who will be selected for participation based on a competition.

Contact: HUD, Denver Regional Office
George Warn, Chief
Section 8 Housing Bureau
(406) 444-2804

■ **McKinney Act Programs:**

A. Transitional Housing for the Homeless

General Purpose and Objectives: The McKinney Act funds projects which provide housing and support services to homeless persons and facilitate their movement to independent living within 24 months.

Activities (providing rental assistance):

- acquisition and rehabilitation up to \$200,000
- moderate rehabilitation up to \$200,000
- operational costs
 - 75% for first two years
 - 50% for next three years

Target Population:

- homeless individuals
- homeless persons with children
- homeless persons with mental problems/addictions

Eligible Applicants:

- states
- metropolitan cities
- cities
- urban counties
- government entities
- tribes
- private non-profit organizations

Contact: HUD, Denver Regional Office
Nicki Kelso (303) 844-5278

B. Permanent Housing for Handicapped Homeless Persons

General Objectives: This program provides community based, long-term housing and supportive services for not more than 8 persons per project; encouraging persons to live independently.

Activities:

- acquisition and rehabilitation up to \$200,000
- moderate rehabilitation up to \$200,000
- operational costs: 50% for 1st year
 - 25% for 2nd year

Targeted Population:

- handicapped homeless

Eligible Applicants:

- state housing financing agencies which customarily handle housing programs for the state.

Contact: Montana Department of Social and Rehabilitation
Services, Jim Nolan (406) 444-4545

C. SAFAH (Supplemental Assistance for Facilities to Assist the Homeless)

General Objectives: SAFAH encourages innovative approaches for those currently living in transitional housing to obtain permanent housing with supportive services.

Activities:

- interest free advances to defray costs of acquisition, substantial rehabilitation, and conversion
- grants for moderate rehabilitation
- grants for supportive services
- grants for operating costs
(maximum grant: \$1,000,000 grant/3 years)

Targeted Populations:

- homeless families with children
- elderly currently residing in transitional housing

Applicants:

- states
- metropolitan cities
- urban counties
- Indians tribes
- private, non-profit organizations

Contact: Montana Department of Social and Rehabilitation
Services, Jim Nolan (406) 444-4545

D. ESG (Emergency Shelter Grants) Program

General Objectives: This program provides grants to help improve the quality of existing emergency shelters for the homeless, to make available additional shelters, to meet the costs of operating shelters and of providing essential social services to homeless individuals and to help prevent homelessness.

Activities:

- renovation
- major rehabilitation
- building conversion
- homeless preservation
- operational costs excluding payroll expenses

Targeted Population:

- homeless persons

Applicants:

- states
- metropolitan cities
- urban counties
- territories
- units of local government and non-profits (apply to states)

Contacts: HUD, Denver Regional Office
Linda Williams (303) 844-4666
Montana Department of Social and Rehabilitation Services
Jim Nolan (406) 444-4545

E. Section 8 SRO Moderate Rehabilitation

General Objectives: This program provides single room occupancy dwellings for homeless individuals in rehabilitated SRO housing.

Activities:

- project based rental assistance to project owners/sponsors who agree to rehabilitate SRO units and provide appropriate supportive services

Targeted Populations:

- homeless individuals

Applicants:

- funded through local Public Housing Authorities (PHA's)

Contact: HUD, Denver Regional Office
Office of Public Housing
(303) 844-4034

■ Shelter Plus Care

General Objectives: The program combines housing with supportive services for the homeless who are severely mentally ill or alcohol or drug abusers.

Activities:

- five-year flexible rental assistance; up to 2 years of this assistance may be used in designated buildings, followed by assistance for the remainder of the term in more independent living situations
- five-year rental assistance in housing owned or leased by non-profits under the Section 202 program
- ten-year housing assistance for the mod-rehabilitation of single room occupancy dwelling units

Targeted Population:

- homeless persons with mental disabilities, alcohol and drug users and persons with AIDS and related diseases

Applicants: (depending on combination of programs)

- states
- units of general government
- Indian tribes
- public housing authorities
- private non-profit organizations

Contact: HUD, Denver Regional Office
Nicki Kelso (303) 844-5278

■ Supportive Housing for Persons with Disabilities (Section 811)

General Objectives: Section 811 provides funding to expand the supply of specially designed housing with supportive services for persons with disabilities.

Activities:

- types of financing
 - capital advances
 - project rental assistance

- development methods
 - new construction
 - rehabilitation
 - acquisition of housing for group homes
 - acquisition of housing from the Resolution Trust Corporation (RTC) for group homes and independent living facilities
- types of housing
 - group homes
 - independent living facilities
 - immediate care facility

Targeted Population:

- a household composed of one or more persons, at least one of whom has a physical disability, developmental disability or chronic mental illness which:
 - is expected to be of long and indefinite duration
 - substantially impedes the person's ability to live independently, and
 - is of such a nature that such ability could be improved by more suitable housing conditions

Applicants:

- Private, non-profit organizations

Contact: HUD, Denver Regional Office
Carolyn Sperry (303) 844-6261

■ Supportive Housing for Elderly Persons (Section 202)

General Objectives: Section 202 Provides funding to expand the supply of housing with supportive services for elderly persons.

Activities:

- types of financing
 - capital advances
 - project rental assistance
- development Methods
 - new construction
 - rehabilitation
 - acquisition of housing from the RTC

Targeted Population:

- very low income persons, 62 years of age or older

Applicants:

- private, non-profit organizations
- consumer cooperatives

Contact: HUD, Denver Regional Office
Carolyn Sperry, (303) 844-6261

■ HOPE Program:

General Objectives: The HOPE program has been created to increase homeownership for low income and working poor families in three areas:

- HOPE I - Public Housing Homeownership and Resident Management.** HUD will provide \$1 billion in grants over 3 years to fund activities needed to develop and implement a successful homeownership program for public housing residents.

Activities:

- planning and technical assistance grants to assess viability and prepare tenants for homeownership
- implementation grants for the rehabilitation of projects, as well as counseling and training, capital and operating reserves, and transaction costs
- \$250 million in Section 8 certificates and vouchers will provide subsidies for operating expenses, relocation housing and replacement housing.

Applicants:

- resident management corps.
- resident councils
- cooperative associations
- non-profit organizations
- public housing authorities
- Indian housing authorities (IHA's)

Applicants must provide \$1.00 for every \$2.00 of federal HOPE funds.

Contact: HUD, Regional Office of Public Housing
Denver, CO
Evy Meininger (303) 844-4034

B. HOPE II - Urban Homesteading of Multifamily Properties.

HUD will provide \$567 million in grants over 3 years to help residents in FHA distressed and foreclosed multifamily buildings to purchase and maintain their properties; e.g. owners who have mismanaged their rental properties should be replaced with resident owners committed to their homes and their neighborhoods. The same subsidies which are given to owners will be targeted directly to residents, offering them greater control over their housing and more ability to improve their shelter.

Activities:

- planning grants to assess viability and prepare tenants for homeownership
- implementation grants to rehabilitate projects and provide technical assistance, counseling and training, capital and operating reserves and transaction costs
- Section 8 certificates and vouchers can be used as post-sale subsidies for those families who cannot afford to purchase.
- grants will also be made to increase the capacity of non-profits to become project sponsors for all of the HOPE grant programs

Applicants:

- resident management corporations
- resident councils
- cooperative associations
- non-profit organizations
- public housing authorities

Applicants must provide \$1 for every \$2 in federal HOPE funds

Contact: HUD, Regional Office of Housing
Denver, CO
Lois Tressler (303) 844-4959

C. HOPE III - Non-profits and Affordable Housing.

HUD will provide \$567 million in grants over 3 years to promote low income homeownership in publicly held properties using non-profit organizations.

Activities:

- grants will be made available to non-profit organizations or public agencies in cooperation with non-profits to purchase:
 - single-family property owned by HUD, VA, FMHA, the RTC, state or local governments, or public housing authorities
 - multifamily property owned by any of these entities except HUD or a PHA
- grants will be used for acquisition, rehabilitation., counseling and replacement reserves

Applicants must provide \$1 for every \$2 in Federal HOPE funds.

Contact: HUD, Regional Office of Community Planning & Development
Denver, CO
Ramona Elizalde (303) 844-4666

■ Low Income Housing Preservation

General Objectives:

HUD will provide \$1.074 billion in grants over 3 years to resident groups in federally insured and subsidized multifamily projects to help them purchase their buildings and become homeowners when an existing owner chooses to prepay the mortgage. Non-profit neighborhood groups working on behalf of resident councils are also eligible. Prepayment of mortgages can potentially eliminate the low income use restrictions on these properties. Tenants can be protected from losing their household by being afforded the opportunity to purchase the property.

Contact: HUD, Denver Regional Office
Dave Jacobs (303) 844-5121

■ Housing Opportunities for People with AIDS

(additional information pending)

E.1 b PROGRAMS EMPLOYED IN MONTANA

The June, 1991 HUD Report entitled A HUD Perspective of Montana noted that importation of capital into Montana via conventional sources is difficult. No survey of conventional lenders, pension funds, or other potential sources of private capital has been undertaken.

While Montana does make good use of its limited resources as indicated by the following programs, the willingness of lenders to commit to housing development depends upon the availability of public funds. Specific commitments of local dollars for housing development are unlikely to occur or predict without substantial state and federal participation.

■ STATE OF MONTANA PROGRAMS

■ The Montana Department of Commerce Housing Programs

I. The Community Development Block Grant Program (CDBG) is located within the Local Government Assistance Division of the Department of Commerce. The program is active in assisting local governments in applying for CDBG funds primarily for the rehabilitation of existing units to house low and moderate income persons. In December 1991 the CDBG program awarded \$1,500,000 in grants for four communities (\$375,000 each) for having rehabilitation projects, a generally consistent level of funding from year to year within the program.

II. The Section 8 Housing Bureau of the Department of Commerce administers 3,800 Section 8 certificates, vouchers, and moderate rehabilitation units statewide, for a total budget of \$18,000,000. Distribution of these units was described in the previous sections.

III. Many of the new programs established under the National Affordable Housing Act of 1990 will be administered through the Department of Commerce, particularly the HUD funded HOME program.

IV. The Montana Board of Housing was created by the Montana Housing Act of 1975 in order to alleviate the high cost of housing for lower income persons and families. The funds to operate the programs administered under the Act are generated through either the sale of tax-exempt bonds or administrative fees. The Board's programs are described below:

A. Homeownership Programs

1. *Single Family Bond Program (initiated in 1977)*: The Board works with approximately 80 lenders statewide to provide 1.5% below conventional rates to assist primarily first-time home owners; however, in certain target areas, the borrowers need not be first-time purchasers. The program has assisted about 16,000 Montanans to date, at a rate of 1,000 to 1,500 purchases per year; \$700 million in bond proceeds has been loaned since 1975.
2. *The Mortgage Credit Certificate Program (initiated in 1987)*: This program enables moderate and lower income individuals to convert 20% of their annual mortgage deduction from an itemization (income deduction) to a tax credit (tax payment reduction). A total of 1,700 individuals and families have been assisted through this program.
3. *Home Buyers Cash Assistance Program (initiated in 1991)*: The program provides assistance to home buyers having an income of no more than \$20,000. Funds may be used for up to 50% of the minimum cash required to close a loan (maximum advance of \$1,000) and may be combined with 7-3/4%, 30-year mortgage money. The purchase price may not exceed \$45,000.
4. *The Reverse Annuity Mortgage Loan Program for Elderly Persons (initiated in 1989)*: This program enables persons 68 years or older to benefit from an additional income source from the use of their home equity. In addition to other uses, the funds may be used to make repairs or improvements to the home. Persons are subject to certain income requirements and the appraised value of the home must be between \$18,750 and \$50,000.

B. Multifamily Programs

1. *Multifamily Bond Program*: From 1978 until 1982, the Board of Housing issued tax exempt bonds to finance the construction of new or the rehabilitation of existing low income multifamily housing. During that period, the Board financed 668 multifamily units for lower income families and the elderly.
2. *Low Income Housing Tax Credit Program (initiated in 1987)*: This program makes use of Federal tax credits to provide incentives to developers to provide low income housing. To date, Montana has seen the provision of 495 low income rental units through this program.

V. As permitted by the Prudent Expert Principle, the Montana Board of Investments may purchase debt or equity at market rates. The Board actively purchases Montana residential mortgages from approved sellers on behalf of the Public Employees' Retirement system, the Teachers' Retirement System, and the Permanent Coal Trust Fund. The Board's current portfolio includes 2,658 single and multifamily mortgages worth \$122.5 million as well as mortgages on 4 nursing homes worth \$4.6 million.

VI. The Montana State University Extension Service provides professional and public education through a series of programs and publications aimed at addressing Montana's housing needs and problems. Those programs and publications include:

- Your Home's Health—Water and Air Quality
- Providing Safe Housing for Child and Infant Day Care
- Housing as We Grow Older
- Montana Seniors Energy Project

- Home Repair and Remodeling
- Graduate Builders Institute
- Home Energy Conservation Simulator Program
- Energy Information Project

■ **Montana Department of Social and Rehabilitation Services Housing Programs**

Two McKinney Act Programs are administered through the Human Services Bureau of the Department of Social and Rehabilitation Services (SRS). The two programs include the Emergency Shelter Grant program (ESG) and the Emergency Community Services Homeless Grant Program. The Bureau will also be active in those programs under the National Affordable Housing Act of 1990 which deal with persons with special needs, mentally and physically disabled persons, homeless persons, and persons needing transitional housing.

■ **The Governor's Office on Aging**

This Office brings together persons concerned about housing for elderly persons in Montana. While they do not administer a particular housing program, they undertake needs assessments on behalf of elderly Montanans in the area of housing in addition to other concerns (medical issues, nutrition and public policy generally). During 1992, the Office will sponsor a survey of the socioeconomic characteristics of Montana's Indian population, including housing characteristics.

■ **LOCAL AGENCIES AND AUTHORITIES ASSISTING HOUSING**

■ **Local Governments**

Many local governments are actively involved in housing development in their counties and communities. Local governments, community development agencies, and planning offices work with the Montana Department of Commerce to bring federal housing funds to their communities, notably CDBG funds.

The Montana Urban Renewal law provides for the use of tax increment financing (TIF) by local governments to assist in community redevelopment activities. While this financing mechanism has been used primarily for economic and public infrastructure development, its use can be extended to the development of housing. Tax increment districts are typically located in downtown areas and surrounding neighborhoods where land use regulations tend to allow multifamily housing development.

TIF makes use of new tax dollars which accrue from new development within a designated area after a certain date and for a specified period of time. This mechanism has raised millions of dollars for redevelopment in Kalispell, Butte-Silver Bow, Billings, Great Falls, Helena, and Missoula. It is not particularly useful, however, in rural communities which have not experienced large developments in their downtown areas. Given Montana's method of determining taxable value of real property (3.86% of appraised value), one million dollars of investment would produce only \$11,580 of new taxes using a mill rate of .300. Personal property is taxed somewhat higher at 9%, but significant amounts of investment in equipment would be required before a sizable increment was realized.

In those cities where tax increment financing dollars are still available, some funds could be committed to housing development. However, rural areas cannot typically take advantage of this self-funding mechanism.

Rural areas are experiencing significant problems due to stagnant and decreasing markets. Non-governmental funding mechanisms are limited and where new housing is required, substantial governmental assistance will be necessary.

■ Community Development Corporations

In certain cases, separate, nonprofit development corporations work on a number of general community issues for their region, including housing. An example is the Bear Paw Development Corporation which works with local lenders, HUD, Farmers Home Administration, and the State of Montana to provide housing assistance for Liberty, Hill, and Blaine counties and the Fort Belknap Indian Reservation in the north central region of the state.

■ Public Housing Authorities

There are 10 housing authorities statewide which administer traditional public housing projects and, in certain cases, Section 8 vouchers and certificates issued directly from the regional offices of HUD in Denver. Public Housing Officials are active participants in trying to meet the increasing need for affordable housing in their communities and counties.

■ PRIVATE NON-PROFIT PROVIDERS OF ASSISTED HOUSING

There are 10 Human Resource Development Councils or HRDC's (in some cases these are referred to as Citizen Action Programs or CAP's) statewide which administer a number of programs to assist low and moderate income persons and persons with special needs. These include the management of all state administered HUD Section 8 programs, those included in the National Affordable Housing Act, and some of those listed in the McKinney Act.

The Human Resources Development Council for Gallatin, Meagher and Park counties has been researching innovative ways to use private capital and federal funds to create affordable housing. No particular information about commitment of funds is available at this time. However, the Council stresses that without project based assistance, it is difficult to attract private capital.

Neighborhood Housing Services in Great Falls has used Montana Board of Housing funds, local lenders, and Community Development Block Grant Funds to develop neighborhood housing. NHS works with four neighborhoods to provide assistance to low and moderate income persons using a variety of Board of Housing and HUD programs to assist with rehabilitation, new construction, and down payment/closing cost assistance. More complete information is provided in the Great Falls CHAS document.

Persons with disabilities are served by Independent Living Centers which represent handicapped persons in various parts of the state. An example is the Summit Independent Living Center in Missoula.

There are also a large number of organizations which assist very low, low, and moderate income persons—many of whom are homeless—with housing. They include churches and synagogues, missions, the Salvation Army, local civic organizations, Montana People's Action, community based centers such as the Poverello Center in Missoula, the Butte Community Union, the Montana Low Income Coalition, the YMCA, the YWCA, and others. Local governments and local lenders also sponsor a variety of programs where they assist low income home owners with painting and minor household repairs.

■ PRIVATE SECTOR PARTICIPATION IN HOUSING

■ Private Lenders

Private Lenders have been active in many Montana Communities through the leveraging of CDBG funds, participating in the Board of Housing Programs, and working with various HUD and FmHA programs for both single family and multifamily unit development. They have also participated in some innovative programs. For example, using CDBG program income funds as seed money, Norwest Bank of Butte, in conjunction with the Butte-Silver Bow local government, has established a revolving loan fund for housing rehabilitation.

A number of Montana communities have used CDBG funds to leverage private lender and private developer participation, thereby stretching limited federal dollars. Further, lenders that participate in such programs are credited under the Community Reinvestment Act (CRA) for assisting in revitalization activities. CDBG project income has also been used in a number of Montana communities to leverage private dollars for housing development. Specific dollar amounts are not available.

■ Private Developers

The rehabilitation and new construction of housing units depends in large measure on the ability of private developers to invest in the development of these units. There are only a few active developers in the state, however, and Montana often finds itself in the position of having to rely on the importation of private development capital from other states in the region.

■ OTHER ISSUES AND PROGRAMS

Little research has been done in the State of Montana regarding the ability to use the programs which were established under the federal Financial Institutions Reform, Recovery and Enforcement Act of 1989. The Act, which was a direct outcome of the Savings and Loan crisis, has three important housing components. The first component is the development of the Resolution Trust Corporation or RTC. The RTC is responsible for the disposition of assets, including houses and multifamily apartments which were held by now defunct thrift organizations. Secondly, the Act mandates an Affordable Housing Program for the Federal Home Loan Bank system to provide housing for low income persons. Under this second provision, Federal Home Loan Banks are required to set aside a portion of their net earnings over the next few years in a special fund to be used for low income housing. Finally, the Act mandates that the Federal Home Loan Banks participate in the Community Investment Program. This program requires the Banks to provide advances to member thrift organizations to provide lower interest financing for housing. This program may provide a viable, alternative means of financing for projects which cannot be financed with tax-exempt obligations.

It has been suggested that the state foster better coordination among the various federal agencies which provide housing. There may be additional opportunities for the formation of capital for affordable housing through the coordinated efforts of federal, state, and local housing officials, working with private lenders. In particular, it would be useful to explore whether the Community Reinvestment Act can expand the role of lenders in providing affordable housing in Montana.

E.2 HOMELESS FACILITIES

There are numerous organizations involved in assisting the needs of the homeless. The following information is taken from the Comprehensive Homeless Assistance Plan prepared by the State of Montana in the fall of 1990 as mandated by the Stewart B. McKinney Homeless Act of 1988. Information on the number of units of shelter housing is not available by locale.

• Residential Shelters for Youth (Runaway Shelters).....	9
• Residential Shelters for Women and Youth (Domestic Violence Shelters)	14
• Residential Shelters for Individuals (Rescue Missions, Religious Centers).....	7
• Agencies Providing Meals or Shelter by Voucher Payment (e.g. Salvation Army).....	25
• Agencies Providing Meals on Site (Various)	12
• Agencies Providing Meals to All Persons 60+ Years (Area Agencies on Aging)	82
• Agencies Providing Referral Services for Food, Shelter, Social Concerns, Employment and Health Needs (Welfare, Offices, Shelters, etc.).....	207
• Food Banks Providing Emergency Supplies of Food	43
• Transitional Housing for the Mentally Ill	20

E.3 ASSISTED UNITS

E.3a INVENTORY OF FEDERALLY ASSISTED UNITS AND PROGRAMS (Units by Region)

The following information is presented by region, including eastern Montana, south central Montana, north central Montana, southwest Montana and western Montana. The information presented in this fashion is limited by the data available from each housing program manager. Information which has been made available only on a statewide basis follows the regional data.

Eastern Region:

Richland County Public Housing Authority:

86	family and elderly units	30% vacant
50	1 bedroom Section 8 Certificates	
30	1 bedroom Section 8 Vouchers	

Dawson County Public Housing Authority

20	family units	5% vacant
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Glasgow Public Housing Authority

100	elderly units	2.5% vacant
61	family units	

HUD Section 8 Certificates (State administered)

92	1 bedroom units
67	2 bedroom units
19	3 bedroom units
6	4 bedroom units

HUD Section 8 Moderate Rehabilitation Units (State administered)

3	1 bedroom units
7	2 bedroom units

HUD Section 8 Vouchers (State administered)

18	1 bedroom units
50	2 bedroom units
32	3 bedroom units

Community Development Block Grants

No. of Units Assisted: 347 (new and rehabilitated)

Farmers Home Administration (Assisted Units)

168	family units
120	elderly units (23-D Program)

South Central Region:

Billings Public Housing Authority

261	family units	no vacancies
102	elderly units	
81	family/elderly Section 8 Certificates	
103	family/elderly Section 8 Vouchers	

Billings HUD Section 8 Certificates (State administered)

117	1 bedroom units
116	2 bedroom units
41	3 bedroom units
10	4 bedroom units

Billings HUD Section 8 Moderate Rehabilitation Units (State administered)

23 efficiency units
36 1 bedroom units
27 2 bedroom units
1 3 bedroom unit
2 4 bedroom units

Billings HUD Section 8 Vouchers (State administered)

8 2 bedroom units
4 3 bedroom units
2 4 bedroom units

All other HUD Section 8 Certificates (State administered)

65 1 bedroom units
66 2 bedroom units
28 3 bedroom units
8 4 bedroom units

All other HUD Section 8 Moderate Rehabilitation Units (State administered)

3 efficiency units
23 1 bedroom units
5 2 bedroom units
1 3 bedroom unit

All other HUD Section 8 Vouchers (State administered)

6 1 bedroom units
20 2 bedroom units
16 3 bedroom units
1 4 bedroom unit

Community Development Block Grants

No. of Units Assisted: 145 (new and rehabilitated)

Farmers Home Administration Assisted Units

281 elderly units
63 family units
4 congregant units

North Central Region:

Great Falls Public Housing Authority

no vacancies

490 family/elderly units
73 family/elderly Section 8 certificates
56 family/elderly Section 8 vouchers

Cascade County HUD Section 8 Certificates (State administered)

115 1 bedroom units
115 2 bedroom units
53 3 bedroom units
12 4 bedroom units

Great Falls HUD Section 8 Moderate Rehabilitation Units (State administered)

2 efficiency units
94 1 bedroom units
105 2 bedroom units
71 3 bedroom units
5 4 bedroom units

All other HUD Section 8 Certificates (State administered)

76 1 bedroom
74 2 bedroom
24 3 bedroom
5 4 bedroom

All other HUD Section 8 Moderate Rehabilitation Units (State administered)

2 efficiency units
14 1 bedroom units
12 2 bedroom units
7 3 bedroom units
1 4 bedroom units

HUD Section 8 Vouchers (State administered)

11 1 bedroom
40 2 bedroom
22 3 bedroom
5 4 bedrooms

Community Development Block Grants

No. of Units Assisted: 223 (rehabilitated)

Farmers Home Administration Assisted Units

142 elderly units
121 family units
3 congregant units

Southwest Region:

Helena Public Housing Authority

no vacancies

366 family/elderly/handicapped units
64 2 bedroom Section 8 certificates

Anaconda Public Housing Authority

8% vacant

130 family units
40 elderly units

Butte Public Housing Authority

no vacancies

96 elderly/handicapped units
246 family/elderly/handicapped units

Helena HUD Section 8 Certificates (State administered)

40 1 bedroom units
37 2 bedroom units
15 3 bedroom units
4 4 bedroom units

Helena HUD Section 8 Moderate Rehabilitation Units (State administered)

10 efficiency units
42 1 bedroom units
1 2 bedroom unit
1 3 bedroom unit

Helena HUD Section 8 Vouchers (State administered)

8 1 bedroom units
14 2 bedroom units
11 3 bedroom units
3 4 bedroom units

All Other HUD Section 8 Certificates (State administered)

145 1 bedroom units
171 2 bedroom units
74 3 bedroom units
14 4 bedroom units

All Other HUD Section 8 Moderate Rehabilitation Units (State administered)

6 efficiency units
102 1 bedroom units
44 2 bedroom units
9 3 bedroom units
1 4 bedroom unit

All Other HUD Section 8 Vouchers (State administered)

14 1 bedroom units
31 2 bedroom units
25 3 bedroom units
6 4 bedroom units

Community Development Block Grants

No. of Units Assisted: 338 (rehabilitated)

Farmers Home Administration Assisted Units

60 elderly units
101 family units
20 elderly/family combinations

Western Region:

Missoula Public Housing Authority

no vacancies

167 family units
38 elderly units
252 Section 8 Vouchers

Whitefish Public Housing Authority

no vacancies

50 elderly/handicapped units

HUD Section 8 Certificates (inc. Missoula) (State administered)

128 1 bedroom units
122 2 bedroom units
48 3 bedroom units
8 4 bedroom units

HUD Section 8 Moderate Rehabilitation Units (inc. Missoula) (State administered)

34 efficiency units
92 1 bedroom units
13 2 bedroom units
10 3 bedroom units
2 4 bedroom units

HUD Section 8 Vouchers (inc. Missoula) (State administered)

31 1 bedroom units
54 2 bedroom units
47 3 bedroom units
9 4 bedroom units

Community Development Block Grants

No. of Units Assisted: 360 (new and rehabilitated)

Farmers Home Administration Assisted Units

308 elderly units
255 family units
6 family/elderly combinations
8 congregant units

E.3b OTHER FEDERALLY ASSISTED UNITS (Statewide Data)

Listed below are other federally assisted units funded through various HUD programs which have not been tabulated by region but rather presented on a statewide basis.

HUD Section 202 Program

- 380 new units in 9 projects (379 are Section 8 assisted units)
- 360 old units in 5 projects

HUD Section 207 Program

- 274 mobile home court units

HUD Section 220 Program for Urban Families Impacted by Military Development

- 64 units in 2 projects (30 are Section 8 assisted units)

HUD Section 221 (d) 3 Program (Rental Assistance for Families)

- 1,106 units in 16 projects (1,040 are Section 8 assisted units)

HUD Section 221 (d) 3 BMIR Program (Rental Assistance for Families)

- 125 units in 2 projects (52 are Section 8 assisted units)

HUD Section 221 (d) 4 Program (Rental Assistance for Families)

- 1,650 units in 36 projects (1,069 are Section 8 assisted units)

HUD Section 231 Program (Rental Assistance for Elderly and Handicapped)

- 359 units in 4 projects (192 are Section 8 assisted units)

HUD Section 232 Program (Rental Assistance for Families)

- 456 units in 3 projects

HUD Section 236 Program (Rental Assistance for Families)

- 1,794 units in 24 projects (714 are Section 8 assisted units)

HUD Sections 236/202 Conversions (Conversion from Elderly to Family Rental Assistance)

- 455 units in 5 projects (107 are Section 8 assisted units)

HUD Section 242 Program (Hospitals)

- 26 units in 1 project

Title X Program (Land Development Assistance for Family Housing)

- 101 units in 1 project (100 are Section 8 assisted units)

E.3c FARMERS HOME ADMINISTRATION UNITS AND FUNDS AWARDED

In addition to the various subsidized units presented in the regional data sections above, Farmers Home Administration is very active in Montana through its 502 program for single family households in rural areas and through the 515 program providing 1% financing to developers to build elderly and disabled units in rural areas.

Housing and Neighborhood Revitalization Activities Funded by The Montana Community Development Block Grant Program from 1982 through 1990

	Community	CDBG Funds Awarded (\$)¹	# Of Units Assisted²
(1982)	Alberton	400,000	33
	Butte-Silver Bow	598,000	37
	Kalispell	453,000	12
	Missoula County/East Missoula	495,000	26
	Roundup	400,000	28
	St. Ignatius	400,000	29
	Shelby	546,000	1
	TOTAL	\$3,292,000	166
(1983)	Butte-Silver Bow	570,000	37
	Dodson	400,000	30
	Kalispell	500,000	0
	Malta	400,000	34
	Miles City	400,000	43
	Mineral County/St. Regis	400,000	32
	Polson	425,000	11
	Shelby	400,000	45
	Thompson Falls	400,000	37
	TOTAL	\$3,895,000	269
(1984)	Bozeman	500,000	44
	Butte-Silver Bow	500,000	30
	Kalispell	500,000	18
	Lodge Grass	500,000	32
	Missoula	500,000	24
	TOTAL	\$2,500,000	148
(1985)	Butte-Silver Bow	500,000	38
	Chinook	367,835	47
	Kalispell	500,000	13
	Malta	367,835	55
	Missoula County/Clinton	317,259	21
	St. Ignatius	367,835	33
	TOTAL	\$2,420,764	207
(1986)	Glasgow	350,000	44
	Havre	600,000	40
	Butte-Silver Bow	350,000	25
	TOTAL	\$1,300,000	109

	Community	CDBG Funds Awarded (\$)¹	# Of Units Assisted²
(1987)	Butte-Silver Bow	375,000	31
	Kevin	375,000	27
	Saco	375,000	45
	TOTAL	\$1,125,000	103
(1988)	Bridger	375,000	33
	Glasgow	375,000	43
	Havre	375,000	35
	White Sulphur Springs	375,000	28
	TOTAL	\$1,500,000	139
(1989)	Hardin	375,000	43
	Wolf Point	375,000	40
	TOTAL	\$750,000	83
	OVERALL TOTAL	\$18, 549,746	1,413 Units

1 - The award amounts indicated include, in addition to funds for housing rehabilitation, funding for supporting public facilities, demolition, and other related neighborhood revitalization activities. In many cases funds from other sources were also utilized such as local bank funds and funds from the U.S. Farmers Home Administration.

2 - The number of units assisted include 42 new rental units and 8 new mobile home units. The balance of these units, or 1,363, were rehabilitated home owner and rental housing units. Approximately 65% of these were homes owned and occupied by low and moderate income persons. The remainder were rental units either occupied by, or made available to, low and moderate income persons. For more recent projects, the numbers show represent goals as the project is currently underway.

FIVE -YEAR STRATEGY

A. OVERALL STRATEGY

The CHAS process provides Montana with an important tool to begin incorporating housing policy more fully into the community and state planning efforts. The CHAS itself will serve as an enabling document, providing a vehicle for local governments and housing organizations to make use of applicable programs to address their housing needs. Funding applications for CHAS covered programs, submitted by the state and non-entitlement communities, must be certified as consistent with the state CHAS. This will assure that federal housing dollars are used appropriately to address Montana's most pressing housing needs.

The 1992 Fiscal Year CHAS does not establish housing assistance targets for particular groups — very low income, low income, elderly, etc. — within various assistance programs for the different regions of the state. The CHAS does seek to identify the most urgent housing affordability problems in the state and present the specific public financial resources available to meet those needs. Local governments, housing organizations, and state agencies, acting in cooperation with each other and with the private sector, are responsible for achieving maximum use of the identified resources to meet their housing needs.

B. FIVE-YEAR STRATEGY

The preparation of a CHAS represents a significant undertaking for Montana that has never before been attempted at the state level. Montana has several separate state agencies with responsibilities and programs which address housing needs in conjunction with the state's 56 counties and 128 municipalities.

The statewide needs discussed in Section III on pages 17-28 and the statewide housing problems identified on pages 29-33, have been combined in developing the strategies listed on pages 59-60.

The preparation of the first CHAS document should be viewed as the beginning of a long-range, capacity building effort. In the longer term, the Montana Department of Commerce will work with local governments, housing agencies, and organizations across the state to gather additional housing information and fill the information gaps identified throughout the process of preparing the first CHAS.

B.1 RESPONSIBILITIES

Each of the housing agencies, local governments, Human Resources Development Councils (HRDC's), and other state and local housing related organizations will be responsible for the implementation of their respective programs and the attainment of their particular community, agency, and program goals. Within this context, these agencies and organizations can begin to address the eleven housing needs and five problems discussed in the 1992 CHAS.

Each agency and local government will also be responsible for the necessary monitoring associated with any particular program or project. As required by the HUD CHAS regulations, the Montana Department of Commerce will provide monitoring as set forth in this CHAS, and evaluation of applications submitted by local governments and housing related organizations for CHAS related housing programs and projects.

B.2 FINANCIAL RESOURCES

The individual agencies and local governments will be responsible for securing funding for programs or projects, to the extent which they can be obtained under current or anticipated federal and state housing assistance programs. Local governments are encouraged to undertake creative approaches to provide affordable housing, leveraging, to the maximum degree possible, all available financial resources —

public and private— and supporting appropriate local housing authorities or non-profit organizations in meeting local housing needs.

The State of Montana today faces two very important but constraining pressures. The State's budget is experiencing significant limitations, as is the case for a majority of other states. Meanwhile, new federal housing legislation encourages a direct role for state governments, and in some cases, new federal program money is provided only if state and local governments can provide matching funds. Local governments are also experiencing severe financial pressures. The CHAS encourages the maximum utilization of federal programs in conjunction with very limited state dollars to meet the state's diverse affordable housing needs.

ONE-YEAR IMPLEMENTATION PLAN

A. ONE-YEAR IMPLEMENTATION PLAN

A.1 GOALS AND OBJECTIVES FOR FISCAL YEAR 1992

The following represent goals for CHAS related activities to be initiated in Fiscal Year 1992. These goals are based on needs identified during the preparation of the CHAS, including oral and written testimony received on the draft CHAS document during the sixty-day review and comment period. These goals are as follows:

- a. The Department of Commerce, as the state 'Participating Jurisdiction,' will administer the new HUD HOME housing assistance program to increase housing opportunities in Montana. For Fiscal Year 1992, Montana has been allocated \$3,981,000 in funds for the HOME program.
- b. Analyze additional 1990 housing related information expected to be released by the U.S. Census during the early spring of 1992. After review of this information, the Department of Commerce will determine whether it will be necessary to design and conduct a detailed housing affordability needs study for the entire state during 1992.
- c. Conduct additional analysis of housing needs for groups in the state which have been identified as having special needs, including homeless, disabled, elderly, large families, etc. This analysis would include needs of those requiring special types of supportive housing, including either mentally or physically handicapped people.
- d. Encourage local governments to evaluate local plans, policies, and ordinances to determine whether they contain unnecessary or discriminatory provisions that may establish regulatory barriers to the siting and construction of affordable housing. This could include evaluation of community comprehensive plans, subdivision and zoning regulations, development permit systems, and impact fees. Amendments and modifications to existing local plans, policies, and ordinances may be necessary to remove barriers, thereby increasing the availability of decent and affordable housing.
- e. Cooperate in research efforts regarding the housing affordability needs of Montana's off-reservation Indian population. During 1992, the Governor's Office on Aging will sponsor a survey of the socioeconomic characteristics of Montana's Indian population, both on and off-reservation, including housing characteristics. During the next two years, the Coordinator of Indian Affairs of the Department of Commerce will compile a profile of Native Americans in the state. Information from these efforts will be available for the Fiscal Year 1993 and 1994 CHAS documents.
- f. Cooperate with the Montana Human Rights Commission to encourage public education regarding federal and state fair housing laws affecting provision of affordable housing for minorities, disabled people, and other special groups historically experiencing housing discrimination.
- g. Explore the idea of establishing a state housing coordinating committee to aid communication and coordination among housing providers and the persons they serve.

A.2 RESOURCES

A general discussion of resources available to the state is in the Five-year Strategy section (pages 59-60) of this document. For this CHAS, it is assumed that resources needed to meet one-year actions will be awarded and /or be available. Resources presented in Table 4/5A, Anticipated Resources and Plan for Investment, have been applied to housing needs as discussed throughout the CHAS and are reflected in dollar amounts presented in Table 4/5A as well as in Table 5B, Goals for Families to be Assisted with Housing.

Table 4/5A, Anticipated Resources and Plan for Investment, shows anticipated, available funding resources in Fiscal Year 1992 for HUD and state programs; specifically, HOME, HOPE I, II, III, CDBG, Emergency Shelter Grants (ESG), Emergency Communities Homeless Services, and Montana Board of Housing programs. Table 5B, Goals for Families to be Assisted with Housing, sets goals for families assisted according to income categories, renters versus owners, elderly, and size of households.

Figures included on Tables 4/5A and 5B for HUD HOPE I, II, and III include grants received directly by the state and grants received by all other entities (local governments, private non-profit organizations, Community Housing Development Organizations (CHDO's), etc.) in the state.

Specific instructions provided by the HUD Community Planning and Development (CPD) Regional Office require inclusion of all HOPE I, II, and III data in the state CHAS, whether directly received by the state or not. This differs from written HUD directions for the CHAS.

Development of the CHAS tables is predicted on local government, housing authorities, and nonprofit organizations having maximum accessibility to federal and state housing programs. Development of specific funding and number of families to be served with HUD-assisted housing for Fiscal Year 1992 is speculative at best. Dollar amounts presented in Table 4/5A and the number of families to be assisted in Table 5B are goals, not definite binding commitments. Implementation of these goals is dependent upon actions of Montana's local governments, community-based organizations, and the private sector in developing and implementing specific housing proposals, as well as the state and federal funding programs.

State CHAS Table 4/5A

U.S. Department of Housing and Urban Development
Office of Community Planning and Development

Anticipated Resources & Plan for Investment

Comprehensive Housing Affordability Strategy (CHAS)

Name of State: MONTANA		*Amounts are expressed in \$000's (e.g. \$3,981 = \$3,981,000)								FY: 1992	
Funding Source Federal Funds Awarded or to be Awarded to State		Anticipate to be Available * (A)	Expect to Commit * (B)	Anticipated resources expected to be committed to projects/activities during FY (\$000's)							
				Rehabilitation (C)	Acquisition (D)	Tenant Assistance (E)	New Construction (F)	Home Buyer Assistance (G)	Planning Grants (H)	Support Services (I)	Operating Costs (J)
1. Home		\$3,981	\$3,981	\$1,000	\$731	\$100	\$1,500	\$650			
2. Hope 1		\$1,500	\$1,500	\$375	\$100	\$100		\$625	\$200	\$100	
3. Hope 2		\$1,000	\$1,000	\$300	\$300	\$50		\$200	\$100	\$50	
4. Hope 3		\$1,200	\$1,200	\$400	\$350			\$140	\$250	\$60	
5. CDBG		\$6,233	\$2,050	\$1,750			\$250	\$50			
6. DOE/Other Energy Prg.		\$2,170	\$2,170	\$2,170							
7. LIHTC		\$1,840	\$1,500				\$1,500				
8. Other (Specify Below)		\$4,111	\$4,111	\$131		\$980	\$3,000				
9. Subtotal - Housing		\$22,035	\$17,512	\$6,126	\$1,481	\$1,230	\$6,250	\$1,665	\$550	\$210	
10. CDBG (Homeless)			\$375	\$375							
11. ESG		\$167	\$167	\$36		\$48				\$35	\$48
12. Perm. Housing for Handicapped											
13. Transitional Housing											
14. Shelter Plus Care		\$2,400	\$2,400			\$2,400					
15. Other (Emergency Homel. Less Service)		\$83	\$83							\$83	
16.											
17.											
18. Subtotal - Homeless		\$2,650	\$3,025	\$411		\$2,448				\$118	\$48
19. Total Federal		\$24,685	\$20,537	\$6,537	\$1,481	\$3,678	\$6,250	\$1,665	\$550	\$328	\$48

Funding Source	Anticipate to be Available (A)	Expect to Commit (B)	Anticipated resources expected to be committed to projects/activities during FY (\$000's)							
			Rehabilitation (C)	Acquisition (D)	Tenant Assistance (E)	New Construction (F)	Home Buyer Assistance (G)	Planning Grants (H)	Support Services (I)	Operating Costs (J)
Non-Federal Funds										
20. Total State Funds	\$50,000	\$50,000		\$47,500		\$2,500				
21. Total Private Funds to State	Not available at this time.									
22. Total - Non-Federal Funds	\$50,000	\$50,000		\$47,500		\$2,500				
23. Grand Total All Funds	\$74,685	\$70,537	\$6,536	\$48,981	\$3,678	\$8,750	\$1,665	\$550	\$328	\$48
24. Entitlement Jurisdictions		\$1,420								
25. Nonentitlement Metro Jurisdictions		N/A								
26. Nonentitlement Nonmetro Jurisdictions		N/A								

Line 8 (Continued):

	(A)	(B)	(C)	(D)	(E)	(F)
Section 8	\$ 980	\$ 980	-0-	-0-	\$980	-0-
HUD-202	2,000	2,000	-0-	-0-	-0-	\$2,000
HUD-811	1,000	1,000	-0-	-0-	-0-	1,000
PHA (No New)	-0-	-0-	-0-	-0-	-0-	-0-
Rental Rehab.	131	131	131	-0-	-0-	-0-
Total	\$4,111	\$4,111	\$131	-0-	\$980	\$3,000

Line 24:

Combined entitlement amounts of \$650,00 for the City of Billings and \$770,000 for the City of Great Falls. These funds include funding for administration and other activities in addition to housing activities.

A.3 REQUIRED CERTIFICATIONS

As required by HUD CHAS regulations, in 1992, the Montana Department of Commerce expects to certify local housing applications for CHAS covered programs for consistency with the state's CHAS. Montana's two HUD entitlement cities, Billings and Great Falls, are exempt from this requirement, as are Montana's Indian tribes.

A.4 TIME TABLE

The time frame for each of the agencies to initiate (or continue) the specific programs or projects, secure the financial resources, and to deliver services or benefits is the one-year period beginning October 1, 1991. At this time, much uncertainty exists regarding initiation of the new HOME and HOPE programs. As further information becomes available during 1992, the Department of Commerce will evaluate this information and consider ways by which the state and local governments can effectively access these programs.

A.5 GEOGRAPHIC AREAS

It is assumed for the purpose of these tables that all of the housing assistance programs will be available on a statewide basis.

State CHAS Table 5B
Goals for Families
to be Assisted with Housing

Comprehensive Housing Affordability Strategy (CHAS)

Name of State:		FY: 1992									
MONTANA											
Assistance Provided by Income Group	Total Section 215 Goals (A)	Total Goals (B)	Renters				Owners				Total Homeowners (K)
			Elderly 1 & 2 Member Households (C)	Small Related (2 to 4) (D)	Large Related (5 or more) (E)	All Other Households (F)	Total Renters (G)	Existing Homeowners (H)	First-Time Homebuyers With Children (I)	All Others (J)	
1. Very Low Income (0 to 50% of MFI)*	2,235	2,255	559	412	163	30	1,164	735	250	106	1,091
2. Mod Rehab & Acquisition	1,790	1,790	430	200	100	20	750	730	210	100	1,040
3. New Const, Sub Rehab, Related Infrastructure	240	240	69	110	31	10	220	5	15	-0-	20
4. Rental Assistance	180	180	60	95	25	-0-	180				
5. Homebuyer Assistance	25	25							20	5	25
6. Support Services		20	-0-	7	7	-0-	14	-0-	5	1	6
7. Other Low Income (51% to 80% of MFI)*	985	985	197	316	22	5	540	310	98	37	445
8. Mod Rehab & Acquisition	600	600	150	35	10	5	200	300	70	30	400
9. New Const, Sub Rehab, Related Infrastructure	335	335	37	263	-0-	-0-	300	10	20	5	35
10. Rental Assistance	40	40	10	18	12	-0-	40				
11. Homebuyer Assistance	10	10							8	2	10
12. Support Services											
13. Total Low Income (Lines 1 and 7)	3,220	3,240	756	728	185	35	1,704	1,045	348	143	1,536
14. Other Income (More than 80% of MFI)*		1,000							800	200	1,000
15. Grand Total (Lines 13 and 14)		4,240	756	728	185	35	1,704	1,045	1,148	343	2,536

*Or, if appropriate, based on HUD income limits with required statutory adjustments.

B. STATE MONITORING PLAN

The National Affordable Housing Act requires jurisdictions to describe in the CHAS the standards and procedures that will be used to ensure appropriate use of federal funds and compliance with long-term program requirements. Montana will track activities funded with monies it administers and those certified as consistent with the CHAS. For example, as applications for HOME funds are received by the state, the Montana Department of Commerce (MDOC) will file them for further reference. Procedures will be implemented to ensure compliance with agreements and program requirements. Written quality standards and performance guidelines for new programs will be developed. Program activity and receipt and disbursement of program dollars will be tracked.

Montana will annually review housing programs relating to the CHAS Five-year Strategy and Yearly Implementation Plans by evaluating:

1. The extent which federal, state, and private funds have been invested to address identified goals in providing affordable and supportive housing needs.
2. Readily available information related to the market conditions and affordable housing needs for families, elderly persons, persons with disabilities, homeless persons, persons with AIDS and others requiring supportive services in connection with affordable housing.
3. The extent which federal, state, and other resources have addressed affordable and supportive housing needs, using numbers of persons assisted by category (families, elderly, homeless, etc.); numbers of units constructed, rehabilitated or otherwise modified; and other quantitative and qualitative measures of success.

CONCLUSIONS

The Montana economy is characterized by resource-dependency. The state has long been reliant upon extractive industries, particularly mining (copper, gold, and oil and gas), timber, and agriculture. Structural economic changes which took place in the late 1970's and early 1980's have permanently altered the face of the economy, and resulted in a loss of employment in those industries. These structural changes have arisen from the substitutability of resources, competition with developing nations, and related technological advances.

Montana has not yet recovered from the economic upheaval of the 1980's and it is now faced with the effects of the most recent national recession. Although Montana has shown a slight gain in population since 1989 —1.6%— many areas of the state have experienced population decline. Population increases have primarily been in the more urban counties of the state, most notably Gallatin and Flathead, while the majority of the rural areas have experienced losses.

As Montana moves into the 1990's, it does so without having yet provided the economic structure that was lost in the 1980's. The state's economic struggle clearly affects our ability to adequately address our affordable housing needs. Affordability will become a larger issue as housing costs continue to increase at a faster rate than income. This is further reinforced by the fact that the state's median income is currently only 85% of the national.

With regard to availability, the number of households in Montana increased by 7.6% since 1980. It is speculated that this increase also took place in the more urban counties of the state. Because both single and multifamily units are already scarce in the major cities (with the notable exception of Butte-Silver Bow), it is most important to address the possibility that the problem will only become worse.

Information is not available regarding the number of rental units which will be lost through demolition or the voluntary withdrawal from federal incentive programs by project owners. However, as contract rents continue to increase in Montana's more urban counties, the incentives for providing federally assisted housing tied to fair market rents will become less attractive. Even when capital might be available, the rate of return on investment for multifamily housing development is not sufficient to attract those very limited available dollars. Without continued and expanded public participation in the development of affordable housing, private sector dollars will not likely be forthcoming.

Nationally, homeownership rates are down, in the west particularly. In Montana, construction of single family homes has been limited, driving up the cost of existing houses. New homes tend to be beyond the financial reach of most low and moderate income home buyers.

The overall issues of housing affordability and availability affect families and individuals as well as those with special supportive needs. The Montana population has a higher concentration of elderly than the nation. As this age group grows, the need for supportive services will become a more pressing issue. As the number of cases of AIDS grows, the needs for special services for those affected will also grow. Although it is not possible to adequately address the changes in services needed by the homeless and those suffering from mental and physical disabilities, it is clear that much is required in order to simply meet the current demand for affordable housing.

Efforts to address affordable housing needs in Montana should be directed at these major problem areas. In particular, Montana must provide additional low-rent units for very low and low income individuals and families, mechanisms for Montanans to purchase homes, housing for those requiring special services, and funds for the rehabilitation of existing housing units — both single and multifamily.

There are sixteen programs currently covered by the CHAS process. Projects which make use of these programs must be consistent with the CHAS in order to be eligible for federal funding. In order to address Montana's affordable housing needs, the state must, to the greatest extent possible, avail itself of all appropriate housing resources including the applicable CHAS covered programs and other federal and state non-CHAS covered housing programs (Indian housing programs; HUD Section 8, 202, 811, etc.; Farmers Home Administration; Montana Board of Housing programs, and others).

From a public policy perspective, the implementation of an affordable housing strategy will rely on the incorporation of housing issues into overall community planning efforts. In order to fill the gap in the provision of affordable housing, Montana must work to fill the gap in information about the condition of housing, the cost of housing, and the ability of very low, low, and moderate income Montanans to afford both multifamily and single family units. Interagency cooperation and coordination among local, state and federal entities, both public and private should be encouraged to assure that our housing needs are addressed expeditiously and efficiently.

GLOSSARY OF TERMS AND ACRONYMS

GLOSSARY OF TERMS AND ACRONYMS

AFDC

Aid to Families with Dependent Children.

AVERAGE ASKING PRICE

The average price currently asked for vacant-for sale housing units.

CAP

Citizen Action Program Agency; often responsible for administration of local housing programs.

CDBG

Community Development Block Grant Program (more detailed information in the appendix).

CDP

Census Designated Place; an unincorporated area which has a settled population and a name.

CHAS

Comprehensive Housing Affordability Strategy, mandated by the National Housing Affordability Act of 1990.

CITIES

For the purposes of this report, cities are defined as Montana's seven largest cities and include Billings, Bozeman, Butte-Silver Bow, Great Falls, Helena, Kalispell, and Missoula.

CONGREGANT CARE

Clusters of units for elderly persons where independent living is fostered through the provision of some services which can include meals, transportation, on-call medical assistance, financial services, and maintenance.

COST BURDEN

A contribution in excess of 30% of income toward housing costs.

CRA

Community Reinvestment Act; federal legislation dealing with the role private financial institutions play in community revitalization.

DENSITY BONUS

An innovative land use planning technique which provides developers with an incentive in return for fulfilling a community need; more particularly, increasing the number of multifamily units permitted on a certain lot size when those units would be rented to low income individuals or families.

DOC

(Montana) Department of Commerce.

ESG

Emergency Shelter Grant Program; federal homeless assistance under the Stewart B. McKinney Act of 1988 (more detailed information in the appendix).

ELDERLY

For the purposes of this document, elderly refers to individuals, 60 years of age and older. However, in cases where a different age category is used by the census to describe elderly, it is so noted.

ELDERLY FAMILY HOUSEHOLDS

Households containing two persons over the age of 60.

ELDERLY INDIVIDUAL HOUSEHOLDS

Households containing one person over the age of 60.

FHA

Federal Housing Administration; primarily involved in mortgage insurance programs.

FmHA

Farmers Home Administration; an agency of the federal government, U.S. Department of Agriculture.

FMR

Fair Market Rent; the allowable rents which may be charged in a particular community in publicly assisted units, and set by HUD.

FAMILY

Two or more related persons.

FAMILY HOUSEHOLDS

Households containing two or more related persons.

GENTRIFICATION

The process of upgrading formerly low cost housing to accommodate the wishes of middle and upper income persons, the "gentry".

HOME PROGRAM

Established under the National Affordable Housing Act of 1990, HOME seeks to expand the supply of decent, affordable housing for low and very low income families (more detailed information in the appendix).

HOPE

Established under the National Affordable Housing Act of 1990, the HOPE program has been created to increase homeownership for low income and working poor families (more detailed information in the appendix).

HRDC's

Human Resource Development Councils; local agencies which administer housing programs.

HOUSEHOLD

An occupied housing unit.

HOUSING UNIT

A house, an apartment, a mobile home, or trailer, a group of rooms, or a single room occupied as separate living quarters, or if vacant, intended for occupancy as separate living quarters; separate living quarters are those in which the occupants live and eat separately from any other persons in the building and which have direct access from outside the building or through a common hall.

HUD

The Department of Housing and Urban Development (federal).

INDIVIDUAL HOUSEHOLD

A household containing one person who is under 60 years of age.

LIHTC

Low Income Housing Tax Credit.

LOW INCOME

Defined by HUD as an income which constitutes less than 80% of the median income of a particular area.

LOW-RENT UNIT

A housing unit which rents for no more than \$250 per month.

MBOH

The Montana Board of Housing.

MDOC

The Montana Department of Commerce

McKINNEY ACT

The Stewart B. McKinney Act of 1988 which established a number of programs for the homeless (explained more fully in the appendix).

MSPA

Montana Subdivision and Platting Act.

MODERATE INCOME

Defined by HUD as an income which constitutes 80% of the median income of an area.

MODERATE REHAB PROGRAM

A program of HUD which provides guaranteed rental payments to a landlord for fifteen years as an incentive for rental rehabilitation.

PHA

Public Housing Authority.

PROJECT BASED ASSISTANCE

Public assistance for housing which is associated with the unit itself, rather than the tenant; i.e., the tenant must live in a particular unit, in order to receive assistance.

RTC

Resolution Trust Corporation.

RENT BURDEN

Occurs when a tenant pays more than 30% of their income on rental housing costs.

RENTAL REHAB PROGRAM

Assistance to landlords for the rehabilitation of rental units based on a 50% cost contribution from HUD.

SECTION 8 PROGRAM

Public assistance to rental housing which is based on a tenant contribution of 30% of tenant income:

Section 8 Vouchers: Tenant based assistance which provides rental subsidies in excess of 30% of the tenant's income.

Section 8 Certificates: Project based assistance which assures the landlord a fair market rent; the tenant is only required to contribute 30% of the tenant's income for rent.

SECTION 202

HUD housing assistance for the elderly (more detailed information in the appendix).

SECTION 811

HUD housing assistance for the disabled (more detailed information in the appendix).

SEVERE COST BURDEN

A contribution in excess of 50% of income toward housing costs.

SRS

Montana Department of Social and Rehabilitation Services.

SRO

Single Room Occupancy.

TENANT BASED ASSISTANCE

When public assistance for rent payments is provided to the tenant, and not associated with a particular unit.

TENURE

The status of owning or renting a housing unit.

TWO OR MORE PERSON, NON-FAMILY HOUSEHOLD

A household containing two or more persons who are not related.

TIF

Tax Increment Financing; using tax revenue which accrues from new investment within an urban renewal area or an industrial area for redevelopment activities.

VA

Veterans Administration, which provides mortgage insurance for military veterans.

VERY LOW INCOME

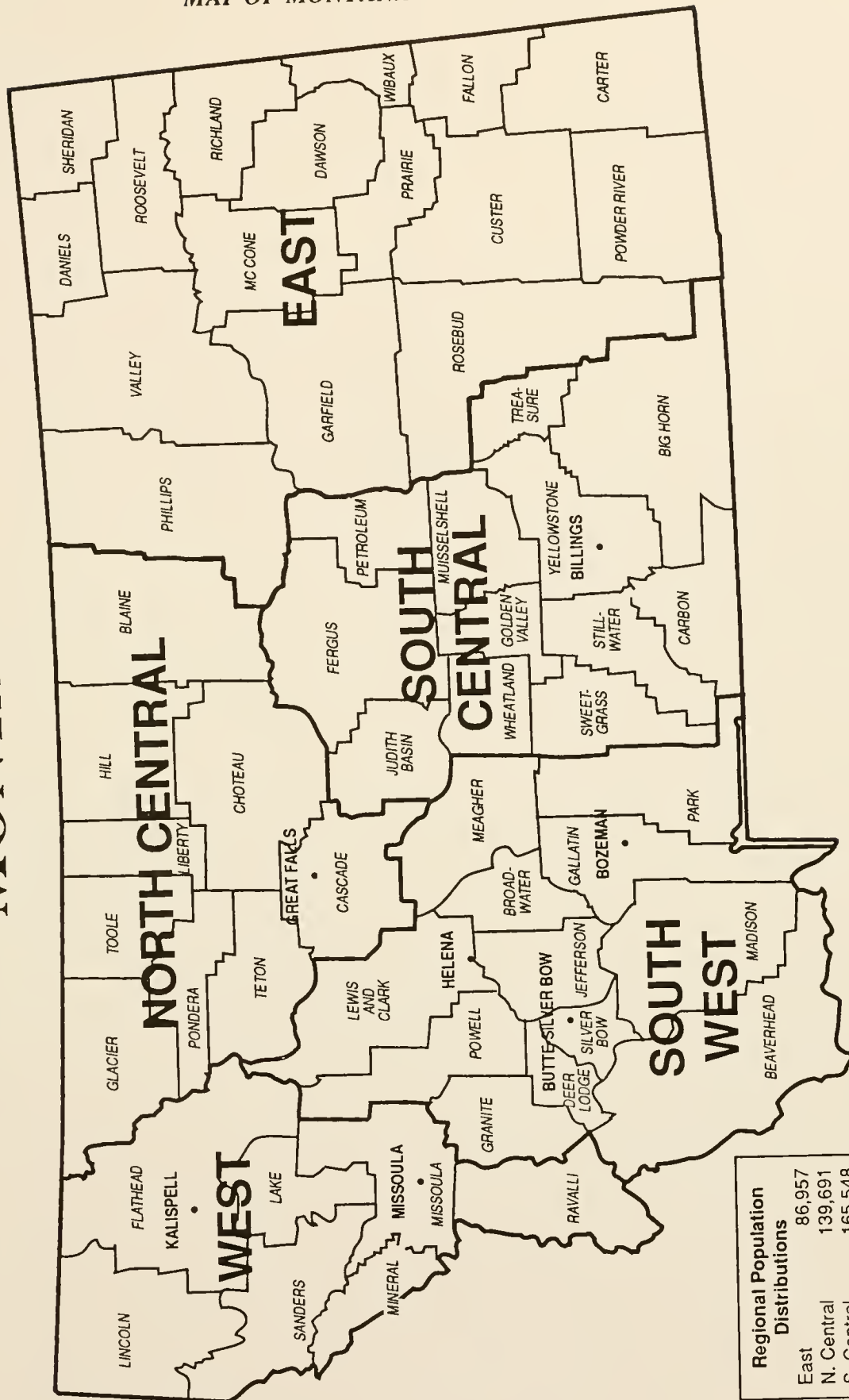
Defined by HUD as an income which constitutes less than 50% of the median income for a particular area.

ZERO LOT ZONING

An innovative land use planning technique which allows for the reduction in the overall building lot size, resulting in a lower cost housing unit.

EXHIBITS

MONTANA



Regional Population Distributions	
East	86,957
N. Central	139,691
S. Central	165,548
S. West	193,396
West	213,421

TABLES

POPULATION

	*Population	Percent of MT Population
Rural	481,015	60.0
East	86,957	18.1
N. Central	77,232	16.1
S. Central	80,430	16.7
S. West	96,651	20.1
West	139,745	29.0
Major Cities	317,998	40.0
Billings	85,118	26.8
Bozeman	22,660	7.1
Butte-Silver Bow	33,941	10.7
Great Falls	62,459	19.7
Helena	40,144	12.6
Kalispell	16,026	5.0
Missoula	57,650	18.1
Montana	799,013	NA

Source: 1990 Census Data; Summary Tape File 1A for Counties, Cities, and Census Designated Places.

* These numbers exclude Yellowstone Park.

RACE

	White	Percent of Population	American Indian Esk/Aleut	Percent of Population	Hispanic	Percent of Population	Black	Percent of Population	Asian- Pacific Islander	Percent of Population	Other	Percent of Population
Rural												
East	75,370	86.67	9,890	11.37	1,014	1.16	78	.08	263	.30	342	.39
N. Central	62,389	80.78	13,801	17.87	588	.76	82	.1	212	.27	160	.20
S. Central	71,391	88.76	7,112	8.84	1,226	1.52	104	.129	224	.278	373	.46
S. West	125,418	96.0	1,859	1.42	1,993	1.52	182	.13	446	.34	624	.48
West	130,323	93.26	6,688	4.78	1,797	1.28	128	.09	436	.31	373	.266
Major Cities												
Billings	77,885	91.5	2,717	3.0	2,587	3.03	448	.526	507	.59	974	1.14
Bozeman	21,421	94.5	398	1.756	321	1.41	69	.30	350	1.54	101	.44
Butte-												
Silver Bow	32,216	94.9	520	1.5	810	2.38	33	.097	138	.40	224	.659
Great Falls	56,388	90.28	2,665	4.26	1,251	2.0	1,035	1.65	746	1.19	374	.598
Helena	38,316	95.4	922	2.29	503	1.25	65	.16	218	5.4	120	2.9
Kalispell	15,369	95.9	331	2.06	182	1.13	19	.11	88	.55	37	.23
Missoula	54,545	94.61	1,296	2.24	712	1.23	171	.296	769	1.33	157	.27
Montana	733,878	91.84	46,475	5.82	12,174	1.5	2,242	.3	4,123	.52	173	.02

Source: 1990 Census Data; Summary Tape File 1A for Counties, Cities, and Census Designated Places.

GENDER

	Male	Percent of Population	Female	Percent of Population
Rural	241,313	50.0	239,702	50.0
East	43,276	50.0	43,681	50.0
N. Central	38,626	50.0	38,606	50.0
S. Central	39,998	50.0	40,432	50.0
S. West	49,281	51.0	47,370	49.0
West	70,132	50.0	69,613	50.0
Major Cities	154,431	49.0	163,567	51.0
Billings	40,697	48.0	44,421	52.0
Bozeman	11,608	51.0	11,502	49.0
Butte-Silver Bow	16,653	49.0	17,288	51.0
Great Falls	30,499	49.0	31,960	51.0
Helena	19,438	48.0	20,706	52.0
Kalispell	7,517	47.0	8,509	53.0
Missoula	28,019	49.0	29,631	51.0
Montana	395,744	49.5	403,269	50.5

Source: 1990 Census Data; Summary Tape File 1A for Counties, Cities, and Census Designated Places.

AGE DISTRIBUTION

	0-18	Percent of Population	18-24	Percent of Population	25-34	Percent of Population	35-44	Percent of Population	45-59	Percent of Population	60 +	Percent of Population
Rural	141,118	64.0	32,146	46.0	69,322	56.0	77,672	61.0	73,596	63.0	87,161	62.0
East	26,280	30.2	5,710	6.6	12,623	14.5	12,962	14.9	12,437	14.3	16,945	19.5
N. Central	24,101	31.2	5,523	7.2	11,459	14.8	11,228	14.5	11,260	14.6	13,661	17.7
S. Central	23,795	29.6	5,125	6.4	11,240	14.0	12,779	15.9	12,308	15.3	15,183	18.8
S. West	26,026	26.9	6,811	7.0	14,884	15.4	16,881	17.5	14,863	15.4	17,186	17.8
West	40,916	29.3	8,977	6.4	19,116	13.7	23,822	17.0	22,728	16.3	24,186	17.3
Major Cities	80,984	36.0	37,869	54.0	53,749	44.0	49,031	39.0	42,711	37.0	53,654	38.0
Billings	22,165	26.0	8,185	9.6	14,603	17.2	13,185	15.5	11,968	14.1	15,012	17.6
Bozeman	4,097	18.0	6,911	30.5	4,088	18.1	3,008	13.3	1,973	8.7	2,583	11.4
Butte- Silver Bow	8,438	24.9	3,098	9.1	4,941	14.6	4,886	14.4	5,135	15.1	7,443	21.9
Great Falls	17,150	27.5	6,152	9.8	11,025	17.7	8,809	14.1	8,695	13.9	10,628	17.0
Helena	11,174	27.8	3,491	8.7	6,395	15.9	7,154	17.8	5,897	14.7	6,033	15.1
Kalispell	4,237	26.5	1,270	7.9	2,473	15.4	2,537	15.8	2,068	12.9	3,441	21.5
Missoula	13,723	23.8	8,762	15.2	10,224	17.7	9,452	16.4	6,975	12.1	8,514	14.8
Montana	222,102	27.8	70,015	8.8	123,071	15.4	126,703	15.9	116,307	14.6	140,815	17.6

Source: 1990 Census Data; Summary Tape File 1A for Counties, Cities, and Census Designated Places.

HOUSEHOLDS

	*Number of Households	Percent of Households
Rural	178,454	58.0
East	32,471	18.2
N. Central	27,600	15.5
S. Central	29,560	16.6
S. West	36,540	20.5
West	52,283	29.2
Major Cities	127,685	42.0
Billings	34,549	27.1
Bozeman	8,751	6.9
Butte-Silver Bow	13,899	10.8
Great Falls	24,503	19.2
Helena	15,791	12.4
Kalispell	6,785	5.3
Missoula	23,407	18.3
Montana	306,139	NA

Source: 1990 Census Data; Summary Tape File 1A for Counties, Cities, and Census Designated Places.

* These numbers exclude Yellowstone Park.

HOUSEHOLD TYPES

	Individual Elderly	Percent of of Households	Individual	Percent of of Households	Elderly Families	Percent of of Households	Families	Percent of of Households	2 or More Person Non-Family	Percent of Households
Rural	21,917	12.3	20,694	11.6	35,312	19.8	94,760	53.1	5,771	3.2
East	4,514	13.9	3,856	11.9	6,707	20.7	16,588	51.0	806	2.5
N. Central	3,471	12.6	3,313	12.0	5,417	19.6	14,638	53.0	261	2.8
S. Central	3,826	12.9	3,062	10.4	6,082	20.6	15,794	53.4	796	2.7
S. West	4,572	12.5	4,555	12.5	6,813	18.6	19,073	52.2	1,527	4.2
West	5,534	10.6	5,908	11.3	10,293	19.7	28,667	54.8	1,881	3.6
Major Cities	15,937	12.5	21,936	17.2	19,804	15.5	61,774	48.4	8,234	6.4
Billings	4,230	12.3	5,755	16.7	5,776	16.7	16,770	48.5	2,018	5.8
Bozeman	789	9.0	1,852	21.2	892	10.2	3,687	42.1	1,531	17.5
Butte-										
Silver Bow	2,463	17.7	1,968	14.2	2,719	19.5	6,306	45.4	443	3.2
Great Falls	3,136	12.8	3,613	14.7	3,926	16.0	12,822	52.4	1,006	4.1
Helena	1,748	11.0	2,847	18.0	2,238	14.2	3,253	52.3	705	4.5
Kalispell	1,127	16.6	1,143	16.8	1,165	17.2	3,047	44.9	303	4.5
Missoula	2,444	10.4	4,758	20.3	3,088	13.2	10,889	46.5	2,228	9.5
Montana	37,857	12.4	42,634	14.0	55,119	18.0	156,547	51.0	14,016	4.6

Source: 1990 Census Data; Summary Tape File 1A for Counties, Cities, and Census Designated Places.

HOUSEHOLDS SIZES

	1-Person Households	Percent of Households	2-Person Households	Percent of Households	3 or More Person Households	Percent of Households
Rural	43,334	24.2	60,666	34.0	74,454	41.8
East	8,378	25.8	10,423	32.1	13,670	42.1
N. Central	6,790	24.6	8,942	32.4	11,868	43.0
S. Central	6,887	23.3	10,051	34.0	12,622	42.7
S. West	9,829	26.9	12,533	34.3	14,178	38.8
West	11,450	21.9	18,717	35.8	22,116	42.3
Major Cities	37,014	29.0	42,635	33.4	48,036	37.6
Billings	9,121	26.4	11,712	33.9	13,716	39.7
Bozeman	8,264	30.2	3,220	36.8	2,888	33.0
Butte-						
Silver Bow	4,434	31.9	4,364	31.4	5,101	36.7
Great Falls	6,738	27.5	8,209	33.5	9,556	39.0
Helena	4,595	29.1	4,974	31.5	6,222	39.4
Kalispell	2,273	33.5	2,198	32.4	2,314	34.1
Missoula	7,210	30.8	7,958	34.0	8,239	35.2
Montana	80,348	26.3	103,301	33.7	122,490	40.0

Source: 1990 Census Data; Summary Tape File 1A for Counties, Cities, and Census Designated Places.

FAMILY — HOUSEHOLD SIZE

	Persons/Household	Persons/Family
Rural		
East	2.63	3.18
N. Central	2.68	3.22
S. Central	2.66	3.16
S. West	2.53	3.05
West	2.64	3.09
Major Cities		
Billings	2.41	2.99
Bozeman	2.37	3.06
Butte-Silver Bow	2.39	3.05
Great Falls	2.47	3.04
Helena	2.27	2.87
Kalispell	2.31	2.99
Missoula	2.35	2.99
Montana	2.53	3.08

Source: 1990 Census Data; Summary Tape File 1A for Counties, Cities, and Census Designated Places.

FAMILY TYPES (211,650 Families)

MARRIED COUPLES				MALE HEADED HOUSEHOLD NO WIFE PRESENT			FEMALE HEADED HOUSEHOLD NO HUSBAND PRESENT		
	Total	w/Children	w/o Children	Total	w/Children	w/o Children	Total	w/Children	w/o Children
Rural	111,305	54,658	56,647	5,299	3,359	1,940	13,468	10,028	3,442
East	19,659	9,973	9,686	1,009	615	394	2,677	1,903	724
N. Central	16,661	8,472	8,189	940	617	323	2,454	1,915	539
S. Central	18,859	9,357	9,502	863	509	354	2,154	1,574	580
S. West	22,509	10,717	11,792	966	596	370	2,411	1,706	705
West	33,617	16,139	17,478	1,521	1,022	499	3,822	2,930	892
Major Cities	65,206	31,266	34,752	3,443	2,057	1,386	12,929	9,427	3,502
Billings	18,026	8,464	9,562	894	536	358	3,626	2,645	981
Bozeman	3,612	1,631	1,981	242	104	138	925	532	193
Butte-Silver Bow	7,284	3,356	3,928	425	206	219	1,316	840	476
Great Falls	13,707	6,834	7,685	620	403	217	2,421	1,826	595
Helena	8,378	4,258	4,120	456	308	148	1,657	1,249	408
Kalispell	3,252	1,502	1,750	180	123	57	780	596	184
Missoula	16,947	5,221	5,726	626	377	249	2,404	1,739	665
Montana	176,511	85,924	91,399	8,742	5,416	3,326	26,397	19,455	6,942
Total Rural Families: 130,072 — 61.5%				Total Major City Families: 81,578 — 38.5%					

Source: 1990 Census Data; Summary Tape File 1A for Counties, Cities, and Census Designated Places.

TENURE BY AGE OF HOUSEHOLDER

	15 - 24		25 - 34		35 - 44		45 - 54		55 - 64		65 +	
	Own-Oc	Rent-Oc	Own-Oc	Rent-Oc	Own-Oc	Rent-Oc	Own-Oc	Rent-Oc	Own-Oc	Rent-Oc	Own-Oc	Rent-Oc
Rural	1,624	5,167	18,041	14,900	30,647	11,396	23,333	5,672	21,276	3,884	34,861	7,843
East	241	1,044	3,220	3,008	5,080	2,022	3,776	999	3,931	745	6,753	1,652
N. Central	246	960	3,729	2,742	4,253	1,849	3,352	970	3,272	675	5,402	1,412
S. Central	231	713	2,983	2,277	5,040	1,855	3,861	952	3,527	623	6,190	1,298
S. West	3,729	1,121	2,667	3,178	6,433	2,434	4,691	1,146	4,173	793	6,934	1,580
West	578	1,329	5,442	3,695	9,841	3,236	7,653	1,605	6,373	1,048	9,582	1,901
Major Cities	1,138	9,523	11,554	16,734	18,738	10,038	13,473	4,417	11,895	3,159	19,496	7,512
Billings	284	2,129	3,350	4,332	5,173	2,596	3,679	1,223	3,478	924	5,423	1,967
Bozeman	181	1,785	477	1,748	940	909	582	279	499	133	940	378
Butte-												
Silver Bow	155	563	1,266	1,168	1,969	739	1,651	378	1,651	332	3,152	875
Great Falls	195	1,530	2,401	3,332	3,251	1,782	2,714	882	2,458	707	3,677	1,566
Helena	164	707	1,677	1,703	3,024	1,136	2,047	559	1,466	344	2,155	809
Kalispell	55	358	518	829	965	573	602	255	601	218	1,191	620
Missoula	204	2,460	1,865	3,622	3,416	2,303	2,198	841	1,742	501	2,958	1,297
Montana	2,762	14,690	29,595	31,634	49,385	21,434	36,806	10,089	33,171	7,043	54,357	15,355

Source: 1990 Census Data; Summary Tape File 1A for Counties, Cities, and Census Designated Places.

TENURE BY AGE OF HOUSEHOLDER (Summary)

Age	MONTANA		RURAL		MAJOR CITIES	
	Percent Renting	Percent Owning	Percent Renting	Percent Owning	Percent Renting	Percent Owning
15 - 24	14.6	1.3	10.5	1.2	18.5	1.2
25 - 34	31.6	14.3	30.5	13.9	32.6	13.9
35 - 44	21.4	24.0	23.3	23.6	19.6	23.6
45 - 54	10.1	17.9	11.6	18.0	8.6	18.0
55 - 64	7.0	16.1	7.9	16.4	6.1	16.4
65+	15.3	26.4	16.2	26.9	14.6	26.9
	Percent Renting		Percent Owning			
Rural	27.4		67.2			
Major Cities	40.2		59.8			
Montana	32.8		67.2			

Source: 1990 Census Data; Summary Tape File 1A for Counties, Cities, and Census Designated Places.

UNIT TYPES
(361,099)

	Single-Family	Percent	Multi-Family	Percent	Mobile Home	Percent	Other	Percent
Rural	161,733	72.0	18,423	8.2	41,202	18.4	3,166	1.4
East	29,932	71.7	4,505	10.8	6,871	16.4	465	1.1
N. Central	24,026	72.1	3,412	10.2	5,480	16.5	409	1.2
S. Central	27,224	73.7	2,303	6.2	6,849	18.6	566	1.5
S. West	34,188	71.7	3,995	8.4	8,562	18.0	919	1.9
West	46,363	71.5	4,208	6.5	13,440	20.7	807	1.2
Major Cities	84,200	61.6	38,207	28.0	12,800	9.4	1,368	1.0
Billings	23,921	63.9	9,903	26.4	3,231	8.6	409	1.1
Bozeman	3,947	43.3	4,475	49.1	554	6.1	141	1.5
Butte-								
Silver Bow	11,016	71.2	3,028	19.6	1,316	8.5	114	.7
Great Falls	16,853	64.4	7,181	27.4	1,872	7.2	274	1.0
Helena	9,952	59.7	4,093	24.5	2,501	15.0	134	.8
Kalispell	4,420	61.6	1,812	25.3	876	12.2	64	.9
Missoula	14,091	57.5	7,715	31.5	2,450	10.1	232	.9
Montana	245,933	68.1	56,630	15.7	54,002	15.0	4,534	1.2
Total Rural 224,524 — 62.2% of State								
Total Major Cities 136,575 — 37.8% of State								

Source: 1990 Census Data; Summary Tape File 1A for Counties, Cities, and Census Designated Places.

HOUSING STOCK BUILT PRIOR TO 1940

Incorporated Place	Percentage of Units Built In 1939 or Earlier	Incorporated Place	Percentage of Units Built In 1939 or Earlier
Alberton town	58.4	Joliet town	53.6
Anaconda-Deer Lodge County	58.6	Jordan town	56.3
Bainville town	31.8	Judith Gap city	68.4
Baker City	40.0	Kalispell city	39.6
Bearcreek town	67.9	Kevin town	40.0
Belgrade town	21.5	Laurel city	32.4
Belt city	49.7	Lavina town	63.4
Big Sandy town	35.3	Lewistown city	51.4
Big Timber city	51.7	Libby city	48.9
Billings city	18.5	Lima town	61.3
Boulder town	30.1	Livingston city	55.6
Bozeman city	28.4	Lodge Grass town	41.3
Bridger town	46.9	Malta city	42.5
Broadus town	27.6	Manhattan town	50.1
Broadview town	55.3	Medicine Lake town	47.9
Brockton town	29.5	Melstone town	70.7
Browning town	36.9	Miles City city	42.5
Butte-Silver Bow	54.5	Missoula city	31.2
Cascade town	36.1	Moore town	73.9
Chester town	30.9	Nashua town	25.1
Chinook city	44.1	Neihart town	32.1
Choteau city	41.7	Opheim town	65.8
Circle town	34.0	Outlook town	49.2
Clyde Park town	58.2	Philipsburg town	60.8
Columbia Falls city	17.6	Plains town	23.1
Columbus town	37.5	Plentywood city	36.0
Conrad city	35.6	Plevna town	51.7
Culbertson town	51.7	Polson city	21.0
Cut Bank city	20.5	Poplar city	19.4
Darby town	42.2	Red Lodge city	72.5
Deer Lodge city	49.2	Rexford town	13.6
Denton town	49.2	Richey town	65.4
Dillon city	42.1	Ronan city	44.1
Dodson town	79.5	Roundup city	64.6
Drummond town	48.5	Ryegate town	70.0
Dutton town	37.9	Saco town	59.9
East Helena town	50.8	St. Ignatius town	29.9
Eklaka town	45.0	Scobey city	59.5
Ennis town	32.9	Shelby city	36.2
Eureka town	46.9	Sheridan town	53.9
Fairfield town	23.6	Sidney city	33.5
Fairview city	37.7	Stanford town	56.8
Flaxville town	56.5	Stevensville town	38.3
Forsyth city	30.4	Sunburst town	45.0
Fort Benton city	41.3	Superior town	19.5
Fraid town	60.4	Terry city	54.3
Framberg town	56.6	Thompson Falls town	33.8
Geraldine town	63.0	Three Forks town	50.5
Glasgow city	39.3	Townsend city	34.8
Glendive city	41.8	Troy town	44.7
Grass Range town	47.3	Twin Bridges town	58.4
Great Falls city	25.8	Volier town	60.6
Hamilton city	46.2	Virginia City town	83.7
Hardin city	34.0	Walkerville city	78.1
Harlem city	43.6	Wesby town	59.3
Harlowton city	66.1	West Yellowstone town	16.7
Havre city	35.2	Whitefish city	40.4
Helena city	37.6	Whitehall town	48.5
Hingham town	56.6	White Sulphur Springs city	46.6
Hobson town	46.6	Wibaux town	59.7
Hot Springs town	63.9	Winifred town	54.1
Hysham town	31.8	Winnett town	72.1
Ismay town	66.7	Wolf Point city	26.6

Source: 1980 Census of Population and Housing: Summary Characteristics of Governmental Units and Standard Metropolitan Statistical Areas; Montana

HOUSEHOLD INCOME
by less than \$10,000
and \$10,000 – \$15,000

Regions	*Less than \$10,000	Percent of Households	\$10,000 – \$15,000	Percent of Households
East	6,739	19.4	3,915	11.2
N. Central	10,090	18.7	6,552	12.1
S. Central	11,594	17.1	7,037	10.3
S. West	14,375	19.0	8,563	11.4
West	16,419	19.2	10,049	11.8
Montana	59,217	18.6	36,116	11.3

Source: Sourcebook on County Demographics; CACI Marketing Systems; Fifth Edition; 1990.

* Data on household income was available on a county and statewide basis only.

AFFORDABILITY FOR FIRST TIME BUYERS

	Average Price Asked	*Approximate Down Payment	*Approximate Monthly Payment	Required Income
Rural				
East	\$24,939	\$1,750	\$336	\$13,500
N. Central	25,528	1,776	342	13,700
S. Central	41,436	2,572	501	20,000
S. West	47,099	2,855	558	22,300
West	64,218	3,712	729	29,200
Major Cities				
Billings	\$53,246	\$3,162	\$619	\$24,800
Bozeman	75,000	4,250	837	33,500
Butte-Silver Bow	35,435	2,272	441	17,700
Great Falls	59,508	3,475	682	27,300
Helena	53,363	3,168	621	24,900
Kalispell	49,449	2,975	581	23,300
Missoula	59,364	3,468	681	27,300

Source: 1990 Census Data; Summary Tape File 1A for Counties, Cities, and Census Designated Places;
H31. Price Asked.

* Figures were derived using the Federal Housing Administration "Rule of Thumb" formula.

AFFORDABILITY FOR RENTERS

	Medium Rent Including Utilities	Cost Burden \$10,000 Household Income	Cost Burden \$15,000 Household Income
Rural			
East	\$267	32%	21%
N. Central	267	32%	21%
S. Central	263	32%	21%
S. West	272	33%	22%
West	302	36%	24%
Major Cities			
Billings	\$344	41%	28%
Bozeman	338	41%	27%
Butte-Silver Bow	318	38%	25%
Great Falls	452	54%	36%
Helena	292	35%	23%
Kalispell	357	43%	29%
Missoula	292	35%	23%

Sources: • 1990 Census Data; Summary Tape File 1A for Counties, Cities, and Census Designated Places.
 • Sourcebook on County Demographics; CACI Marketing Systems; Fifth Edition; 1990.
 • United States Department of Housing and Urban Development; Section 8 Existing Allowances for Tenant Furnished Utilities and Other Services; December 26, 1990.

AVAILABILITY OF LOW-RENT UNITS

Regions	Number of Low-Rent Units	Number of Households Earning Less Than \$10,000/Year
East	4,911	6,739
N. Central	7,990	10,090
S. Central	6,748	11,594
S. West	10,644	14,375
West	10,696	16,419
Total	40,989	59,217
Difference 18,228		Gap 30.1 percent

Sources: 1990 Census Data; Summary Tape File 1A for Counties, Cities, and Census Designated Places.
 Sourcebook of County Demographics; CACI Marketing Systems, Fifth Edition; 1990.

VACANCIES
For-Rent/For-Sale

	Total Vacant Units	Vacancy Rate All Types	Number for Rent	Percent for Rent	Percent of State	Number for Sale	Percent for Sale	Percent of State
Rural	11,287	NA	6,610	NA	NA	4677	NA	NA
East	3,961	22.0	1,918	20.6	18.1	2,043	22.0	32.8
N. Central	1,353	17.3	888	15.4	8.4	465	8.0	7.5
S. Central	1,878	20.0	1,177	15.9	11.0	701	9.5	11.3
S. West	1,907	20.0	1,238	15.0	11.7	669	6.9	10.7
West	2,188	19.3	1,389	11.1	13.1	799	6.4	12.8
Major Cities	5,536	NA	3,985	NA	NA	1,551	NA	NA
Billings	2,036	7.8	1,374	47.0	13.0	662	22.7	10.6
Bozeman	189	4.0	150	41.0	1.4	39	10.6	.6
Butte								
Silver Bow	869	10.2	662	42.0	6.2	207	13.0	3.3
Great Falls	1,042	6.2	793	48.6	7.5	249	15.2	4.0
Helena	556	5.3	413	46.5	3.9	143	16.1	2.3
Kalispell	241	5.4	158	40.8	1.5	83	21.4	1.3
Missoula	603	4.6	435	40.0	4.1	168	15.6	2.7
Montana	16,823	15.2	10,595	2.9	NA	6,228	1.7	NA

Source: 1990 Census Data; Summary Tape File 1A for Counties, Cities, and Census Designated Places.

HOUSING AND DEMOGRAPHIC PROJECTIONS FOR MONTANA
(1980 – 2000)

	Population	Households	Employed	Income	Household Size
Yellowstone	+18	+30	+33	84%	2.46
Casper	-3.3	-3.2	+6.6	85%	2.50
Missoula	+3.2	+24	+34	77%	2.48
Lewis & Clark	+25.6	+36	+47	80%	2.47
Gallatin	+37.4	+53	+67	75%	N/A
Silver Bow	-20.3	-12	-6.3	72%	2.37
Flathead	+30	+43	+53	79%	2.51
East	-8.3	+1	+1.3	78%	2.56
N. Central	+9	+3	-7.5	81%	2.72
S. Central	-2	+11	+12.6	77%	2.54
S. West	+2.7	+10.7	+12.7	74%	2.54
West	+16.4	+30	+35	65%	2.53
Montana	+8.4	+19	+24	78%	2.71
Nation	+20	+29.4	+41	N/A	2.83

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August — October, 1991**

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Missoula Public Housing Authority
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Montana Department of Commerce

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President of Montana NAHRO
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APPENDIX

XI. APPENDIX

A. SUMMARY OF ORAL AND WRITTEN COMMENTS RECEIVED ON THE DRAFT CHAS

APPENDIX A

SUMMARY OF ORAL AND WRITTEN COMMENTS RECEIVED ON THE DRAFT CHAS

The citizen participation process commenced in May of 1992 when the Department of Commerce Community Development Block Grant (CDBG) program presented information on the CHAS requirement and process at its annual CDBG application workshops held across the state. A letter on the CHAS was sent by the Department on August 28, 1992 to all local governments, housing agencies, and local organizations in Montana involved with housing issues, announcing the preparation of the 1992 CHAS and asking for their involvement, cooperation, and information on affordable housing issues. During this period the consultant for the CHAS, Community Development Services of Butte, Montana, also undertook numerous telephone calls to local housing agencies and governments across Montana. Approximately fifty-five individuals and organizations either responded to the consultant's telephone survey and/or submitted written information and comments to the Department prior to the release of the draft.

The sixty-day formal review and comment period commenced on November 15, 1991, and ended on January 15, 1992. During this time, staff of the Department of Commerce held hearings at the following six locations:

Havre	November 21, 1991
Glasgow	November 26, 1991
Miles City	December 3, 1991
Bozeman	December 5, 1991
Missoula	December 11, 1991
Helena	December 17, 1991

Attendance at the six public hearings varied from eight persons in Glasgow to a high of over thirty persons in attendance at Missoula. In addition, approximately seventy-four individuals and organizations submitted written comments to the Department by the end of the review and comment period.

Attached is a summary of the oral testimony presented at the six public hearings. A summary of the major written comments received is also attached.

Overall, the major comments provided in both oral and written testimony were substantially in agreement with the housing affordability issues identified in the CHAS. Many comments provided additional information on local problems related to these issues and suggested areas for further research. It is the intent of the Department of Commerce to explore these housing issues further during the preparation of the FY 1993 CHAS. Implementation, in the final result, will depend on the actions of Montana's local governments, non-profit organizations, and local housing agencies, working in cooperation with the federal and the state government.

SUMMARY OF ORAL COMMENTS RECEIVED
AT CHAS HEARINGS

November 21, 1991 - December 17, 1991

CHAS HEARING - BOZEMAN, DECEMBER 5, 1991

1. The impact of seasonal resort workers for finding housing for employees at West Yellowstone and Big Sky is difficult because of low wages.
2. Gallatin County is looking at changes in some of its zoning ordinances to allow construction of affordable housing.
3. We suggest building permits not be issued for resorts until employee housing is in place.
4. Zoning ordinances can be unduly restrictive of mobile or manufactured homes. Local zoning ordinances should provide areas in each community that would provide for mobile homes, manufactured housing, and small square-footage in housing and lots.
5. The cost of building materials, the cost of a lot, as well as regulatory fees has doubled.
6. There must be a way to get affordable housing built by the private sector.
7. Funds should be made available to investors through the Board of Investments. Low-interest rates should be available to investors who want to build rental units as well as first-time homebuyers.
8. Not much property is on the market in Bozeman, and new construction is needed. Most new construction is for the upper-income communities.
9. Restrictive zoning reduces the possibility for multiple-family rental units in a community.
10. Rural communities have limited access to FmHA and HUD funding. Funding tends to go to larger population communities.
11. Housing needs of the entire Bozeman urban area, and not just within the city limits, should be addressed in the CHAS.

CHAS HEARING - MILES CITY, DECEMBER 3, 1991

1. There is a problem with accessibility to the FmHA low-income housing project. It is located in south Miles City, far distant from town, with no public transportation.
2. There is a tremendous shortage of housing in Miles City. What is affordable is substandard.
3. Few people in Miles City are willing to risk capital to build low-income housing because federal tax incentives no longer exist.
4. A lot of low-income housing is in the 100-year floodplain; it is difficult to get financing for improvements, and the neighborhood continues to deteriorate.
5. Model Building Codes are a constraint to building lower-income units or remodeling older units because of the minimum square footage requirements.
6. Capital is not available for constructing multi-family rentals because federal underwriting standards for this kind of loan are very strict. Due to the savings & loan failures, banks must require higher down payments for income-producing property such as an apartment house.
7. Due to literacy problems, many low-income people who would qualify for loans don't apply for loans because they do not understand how to fill out the credit forms.
8. Due to the poor economy in the Miles City area, people are inclined not to put money into maintaining their homes, because they can't recover the money when they sell.
9. Investors don't want to put money into neighborhoods that are becoming run down or are in a floodplain.
10. If landlords have to borrow money to fix up their rental property, they must raise rents, which will make matters worse for low-income renters. There was a lot of resistance to using any of the CDBG money to assist in the repair of rental units because landlords might then make a profit. The general public does not understand that landlords will not even take out loans at very low interest rates because they cannot make a profit at all.
11. Data on the smaller Class I and larger Class II towns should be included in the CHAS.

CHAS HEARING - GLASGOW, NOVEMBER 26, 1991

1. Some of Montana's most significant housing problems are on Indian reservations.
2. Many elderly don't have economic means or the physical capability to maintain their homes, therefore their homes fall into disrepair and need rehabilitation.
3. Landlords need a reasonable return on their investments. In most cases, landlords need rent subsidies to cover the cost of rehabilitation. Actual market rents are not adequate enough to provide a return on investment.
4. Glasgow is just now undertaking rehabilitation of multi-family rental units.
5. The Section 8 rehabilitation program & CDBG rehabilitation combined allow the CDBG rehabilitation program to work. The Section 8 rent subsidy is critical to make CDBG financed rental rehab. effective.
6. When talking about a housing strategy for Montana, it should be done in a rural context based on small towns with limited populations. There seems to be an urban bias for receiving HUD Rental Rehabilitation money and against rural areas.
7. The unique issues faced by Eastern Montana need to be discussed in the CHAS. Discussion in the CHAS needs to be directed toward housing needs in a declining economy versus an expanding economy. Eastern Montana has a faster growing elderly population (with a need for nursing homes and elderly housing). Should consider condo-type facilities with medical assistance.
8. There are not enough rentals for the elderly and young singles. It is difficult for elderly and young singles, who are in transition period of their lives, to compete with middle group for housing.

CHAS HEARING - HAVRE, NOVEMBER 21, 1991

1. The vacancy rate of low income units is very low.
2. The difficulty is providing a rehabilitation package to work with private property owners who have rental properties, and still keep rents affordable to Low and Moderate Income (LMI) tenants. Landlords need a rent subsidy.*
3. Rental units are a first need in Havre.
4. The HUD Section 8 Fair Market Rents (FMR) are much higher than the actual market rents in Havre.*
5. Among families on the Section 8 waiting list, the greatest problem is finding housing for larger families.
6. People who buy older homes need help in obtaining financing for repair or improvements. Perhaps the Board of Housing could cover the gap.
7. Landlords need rent subsidies to cover their costs of rehabilitation and to get a return on their investment. It is difficult to do this by using traditional, private financing.*

* FMR's may be higher because they include utility costs.

CHAS HEARING - MISSOULA, DECEMBER 11, 1991

1. The CHAS needs to define the term "elderly". Different programs have different definitions.
2. The FmHA program in Montana is under utilized. Larger communities, who are hurting the most for low-income rental units (such as Bozeman and Missoula), can't access FmHA, and need financial help. This is also a need for low and middle income families.
3. Landlords should be represented on the state CHAS team.
4. The statement on page 17 of the CHAS that rents have increased 100% since 1988 is too high.
5. There is a need for closer monitoring of actual income for recipients of Section 8 Housing.
6. There is not enough low and moderate income housing for disabled. Missoula is becoming the rehabilitation center for the state. More people with disabilities will be moving to Missoula for services.
7. Most disabled are using SSI (Supplemental Security Income - \$407/mo.). It is difficult to get housing within this income limit.
8. We would like to see housing designated each year specifically for the handicapped on Section 8 waiting lists. Currently there is no preference for the disabled on Section 8 waiting lists.
9. There is a need for a greater availability of affordable housing which is accessible and adaptable for people with disabilities. (#7)
10. There is a need to have a statewide database of accessible units, to match disabled persons with accessible units.
11. There is a need for disabled persons to have input in terms of accessibility features to multi-family units.
12. Additional funding is needed to retrofit units for accessibility.
13. Low-income renters need direct assistance for landlords who require first and last month's rent.
14. When disabled persons find better employment opportunities in another location, they lose many of the benefits they had including rent subsidies, and they must then look for other housing. A plan is needed to off-set the cost of this transition to more economic independence.

15. Look at the definition of affordability; it means different things to different people. The term "affordability" needs to be more clearly defined.
16. Low-income renters need to see "action" and not just read studies. It is important to put a face on the homeless, the children, the elderly, the young families, and all those people we don't seem to want to talk about. As the pressure mounts, we have an increasing amount of dysfunctional families and more and more abusive situations. This should be discussed rather than just providing statistics in the CHAS.
17. The greatest need for rental units is for larger families requiring three or more bedrooms.
18. The state should establish a housing finance trust fund.
19. The City of Missoula is looking at special zoning to allow mother-in-law apartments.
20. The community should create a non-profit land trust for housing for the homeless.
21. The CHAS needs to include more discussion on housing discrimination, especially in regard to the handicapped and families with children.
22. The rent data in the CHAS, in the chart on page 15, is from the 1990 Census and is already out of date. Current rents are already much higher than this.
23. The homeless should be given preference on public housing waiting lists (as on the Section 8 waiting list).
24. There is a need for more homeless housing. There are not enough shelters for the homeless in Montana. We should be asking how many people are being turned away and who they are.
25. 50% of the over 65 age group are paying over 50% of their income for rent. Incomes are \$10,000. The CHAS table on page 15 is misleading.
26. The CHAS should more fully address housing for AIDS victims.
27. FMR's established by Section 8 and FmHA are excessively generous and exceed the actual market rates in this community. Must be adjusted.*
28. Universities in some Montana cities may be contributing to the housing problem. Students are competing with low-income people for limited low-income housing. The role of the university might be included in the CHAS.

29. The average rent in Missoula is 43% of monthly income for families according to Missoula Food Bank surveys. We need to provide more rental and homeownership opportunities.
30. The Housing Cooperative Model and the Mutual Housing Association Model is a middle way to provide affordable housing - an alternative the state should look into.
31. The state's recommendation for a state housing coordinating committee is commendable.

* FMR's may be higher because they include utility costs.

CHAS HEARING - HELENA, DECEMBER 17, 1991

1. Vacant HUD foreclosed homes as well as other vacant privately-owned homes are not being rented. The Section 8 Program and HUD should work together as a team to identify empty vacant units and assist low-income people to rent them.
2. It is difficult to find Section 8 housing for a large family.
3. The cost of health care and insurance premiums should be considered in the ability of persons to afford housing. When people leave welfare, they are ineligible for Medicaid. Most minimum wage jobs do not provide health insurance.
4. The CHAS does not adequately address housing discrimination as an obstacle to obtaining affordable housing. Housing discrimination against Native Americans and large families is quite common. This leaves them homeless or in substandard housing.
5. CHAS must recognize the strength and expanding role of professional development and consumer education which can assist in preserving the existing housing stock.
6. There are 90,000 vacancies and 1 million people on waiting lists for subsidized housing (nationwide).
7. There is an overall concern with rehabilitation programs, whether they will benefit landlords more than those in need.
8. There are doubts about the cost effectiveness of the HOPE program (Housing Opportunities for People Everywhere) versus the construction of multiple units. The lowest income people, those without good credit ratings, could not afford to participate in HOPE.
9. The Section 8 Program should make a stronger effort to match up landlords with eligible renters.
10. Changes in federal tax law have reduced incentives to build multi-unit rentals for low-income families. Investors need a reasonable return on their money.
11. We need better communication between the state and communities as to how housing conditions are changing in communities. A state coordinating committee, consisting of the agencies and organizations primarily responsible for housing, should be established to coordinate housing needs across the state.
12. Renter housing has taken a double impact from the 1986 Tax Reform Act and the secondary mortgage markets which have increased their downpayment requirements. Previously, HUD allowed 15% down on a 1-4 family unit. This has now been

eliminated by HUD. Conventional markets have gone to a 30% downpayment. Board of Investments could look at buying non-owner occupied loans from banks with a 20% or lower downpayment. The State of Montana could give more of a tax break by decreasing depreciation to increase multi-family units. There are large funds within the State of Montana which could be invested in non owner-occupied housing.

13. It is difficult to find city-zoned land for multi-family units.

SUMMARY OF MAJOR WRITTEN COMMENTS
RECEIVED ON THE MONTANA CHAS

STATE OF MONTANA

1992

COMPREHENSIVE HOUSING AFFORDABILITY STRATEGY

Summary of Major Written Comments Received

Organization/Community - Summit Independent Living Center, Inc.
Missoula, Montana

Person Responding - Michael J. Regnier
Independent Living Specialist/Advocacy Coordinator

Date Received - January 15, 1992

Comment - First, we feel it is crucial that accurate and comprehensive research be undertaken to identify the number and circumstances of people with disabilities present in Montana.

Second, and most important, we feel that it is necessary for the Department to explicitly state in the final CHAS that they will plan to: (1.) Begin a formal process of information gathering, needs assessment, and consultation with each of the four Independent Living Centers in Montana to better understand the problems and potential solutions to providing affordable, appropriate, and accessible housing to people with disabilities, and (2) Implement a plan for providing technical assistance to the state's ILC's (and other disability groups as well) to better acquaint them with the range of options regarding housing programs and subsidies that may apply specifically to people with disabilities or to the general public,...

Organization/Community - Human Resource Council
Missoula, Montana

Person Responding - Jim Morton
Executive Director

Date Received - January 3, 1992

Comment - It is my opinion that low income people should have alternatives from which to choose. The community should not dictate to low income people where to live and in what kind of unit to live.

In the Executive Summary, page ii and iii, HOUSING ISSUES FACING MONTANA, falls short of putting a face of poverty or communicating the real sense of urgency needed in addressing this issue. Rather than speaking to percentages and the numbers, the narrative should talk about the effects of children getting hypo thermia, being too cold at home to do homework, child abuse produced from inability to meet housing and utility bills and overcrowding;...

One of the most telling areas of the CHAS as to its cont. potential for addressing this sense of urgency is the section entitled ONE-YEAR IMPLEMENTATION PLAN. The bottom line of this section is that there is no real action to immediately affect the severe problems caused by inadequate housing in Montana.

Even realizing the lack of data, I believe the STATE PROFILE section as a whole to be inadequate as there are lots of noticeable gaps. In speaking to the State's homeless for example, the numbers used are for total nights lodgings.

In Section B. MONTANA'S HOUSING NEEDS, NEED NO. 3: REHABILITATION OF EXISTING SINGLE FAMILY UNITS under the "Program Gaps" section, I would recommend the coordinating of the low income home weatherization program administered by the HRDCs at the same time as performing health and safety related home rehabilitation.

I would like to comment next on Section C. MONTANA'S HOUSING PROBLEMS, beginning on page 28. I would like to list recommendations to be incorporated into the CHAS. They are:

1. Establish a State financed Housing Trust Fund.
2. I recommend that units purchased or built are not significantly different than other types of buildings in a community. It is important to not create "projects" that stand out as shelters. These acquired units should be downscaled in number of units and blend into the communities across the state.
3. In order to stop the target of affordability from moving upward, the bulk purchase of suitable land should be done immediately, even if building dollars have to come years later.
4. The state and local governments should be looking at providing property they already own for use in creating affordable housing.
5. Capacity building for non-profit housing entities is critical. The State should consider providing administrative funding and/or technical assistance for those community organizations who are striving to find solutions to the lack of affordable housing for low income people.
6. The creation of non-profit land trusts are also very effective tools in creating affordable housing.
7. Montana is cash poor and land rich. Why not develop homesteading opportunities for low income citizens? "Sweat equity" is an important part of a comprehensive housing solution.

Comments - Human Resource
Council - cont.

8. Though manufactured or mobile homes are often looked at as the best solution of alleviating the housing shortage, there are some real problems with them.

They pose a severe problem for indoor air quality as well as a problem from an energy efficiently standpoint.

In Section D. POLICY AND REGULATORY ISSUES under Paragraph 4a regarding a comprehensive approach to housing by creating a state housing coordinating committee is a great model. This is an excellent recommendation that I wish to give my whole-hearted support.

I think a State Department of Housing would be entirely appropriate as a goal in this section.

Within the Five-Year Strategy, under the section concerning Public Housing Authorities there should be discussion about PHAs acting as a conduit for bond financing for private non-profit agencies for housing purposes.

Organization/Community - Kalispell, Montana

Person Responding - Roseanne C. Bloom

Date Received - December 26, 1991

Comment - One area that I think needs attention is the percentage of a family's income that is considered to be reasonable housing costs, as indicated in the charts on p.16 and p. 64, "Housing Affordability for First-time Buyers." I think these figures overestimate a family's ability to purchase their own home.

Other significant factors which are not reflected in these income levels are:

- (1) Accumulated indebtedness, a common problem affecting families with marginal income.
- (2) Inability to save for a down payment and closing costs because all available income, and then some, is required to meet basic needs.
- (3) Medical expenses which now take over 10% of a family's income. Low and moderate income families often go into debt because of medical needs; some medical needs go unmet for lack of funds.
- (4) Family demographics. Besides the obvious point mentioned above (number of people in family), age of family members affects financial need and ability to earn income. For instance, teenagers consume immense quantities of food and require frequent clothing/shoe expenditures because of their rapid growth.

Comments - Roseanne Bloom
cont.

- (5) Job insecurity. Today's jobs often do not offer lifetime prospects for employment because of economic recession, mechanization, computerization, imports, etc. Even employees with many years' service are being laid off.

A lot of marginal low and moderate income families will not be able to afford conventional financing, they will not qualify for lower-income housing programs, or they will be saddled with payments that are unrealistically high for their circumstances.

Organization/Community - State Historic Preservation Office
Montana Historical Society
Helena, Montana

Person Responding - Marcella Sherfy
State Historic Preservation Officer

Date Received - December 16, 1991

Comment - We were also interested to find that the report does not seem to address appropriate affordable housing. For instance, we remain concerned about the widespread use of mobile homes and construction of the most minimal (minimal in size, insulation, amenities, durable materials, etc.) new housing--while older houses often remain empty.

...reuse of historic buildings is more likely to offer the kind of space that many people view as homey (lights, windows, interesting details) as well as access to existing infrastructure. It can stabilize otherwise deteriorating neighborhoods.

Organization/Community - Board of Investments
Helena, Montana

Person Responding - Bob Pancich
Assistant Investment Officer

Date Received - December 16, 1991

Comment - ...the Board of Investments' (the "Board") housing programs are not mentioned in the report. The Board serves as a secondary market purchasing mortgage loans for Public Employees' Retirement System, Teachers' Retirement System, and Permanent Coal Trust Fund. The following is a breakdown of the housing related loans in the portfolio:

<u>Type</u>	<u>Number</u>	<u>Dollars</u>
1-4 Family	2630	\$ 117,390,302
Multifamily	28	\$ 5,126,003
Nursing Home	4	\$ 4,668,084

Organization/Community - Office of Community Development
Missoula, Montana

Person Responding - Mike Kress
Director OCD

Date Received - December 11, 1991

Comment - The unifying goal of the Affordable Housing Task Force is to create a public/private partnership to generate affordable housing. To ensure the success of this goal, neighborhoods throughout the community must promote and provide a diverse mix of housing types and densities. *The Missoula Urban Comprehensive Plan, 1990 Update outlines specific objectives that will help achieve this goal. They include:

Encourage higher density development within the identified service area; and

Provide adequate design control to enable a positive mix of housing types within the service area; and,

Establish an ongoing neighborhood planning process which encourages participation and facilitates compatible development.

*The Task Force, in achieving this goal, should embrace the concept of "committed lands" development to reduce the cost of providing infrastructure and services, to reduce adverse impacts to natural, cultural, and historic resources, and to afford residents access to services without encouraging additional use of the automobile.

Organization/Community - Action for Eastern Montana
Glendive, Montana

Person Responding - Vicki Lapp
Emergency Services Coordinator

Date Received - December 9, 1991

Comment - ...if we want Shelter Plus Care funds we need to put that in our CHAS. I know this program is needed in Montana and I think it needs to be added to our CHAS so we are not eliminated from applying for it totally.

Organization/Community - Montana State University - Extension Service
Bozeman, Montana

Person Responding - Michael P. Vogel, Ed. D.
Extension Housing Specialist

Date Received - November 29, 1991

Comment - The report and overall strategy does not recognize the strengths of professional and public education as a resource in the solution of housing needs and problems. The need for housing education in my view, is vital in providing awareness and providing and protecting safe, affordable and decent housing.

...solutions to these concerns cannot be solely money driven. Where funds are not available or limited, we need to respond to the housing problems by helping people help themselves. While education is not the total solution, it should play a critical role in the CHAS strategy to help Montanans make quality housing decisions, and create awareness of housing programs and options available to them. Public education and professional training opportunities can help to extend the limited funds available to Montana's agencies and individuals and protect our existing housing stock.

Organization/Community - Flathead Park
Bigfork, Montana

Person Responding - Muffie Thomson
Vice President

Date Received - November 22, 1991

Comment - As employers, we have experienced the effects of a shortage of affordable housing.

Bigfork, specifically, is sorely lacking rental properties for the service industry sector which means that our employees are commuting from farther and farther away.

Organization/Community - Yellowstone County - Office of Budget & Management
Billings, Montana

Person Responding - Casey Joyce
Grant Writer

Date Received - October 3, 1991

Comment -

1. There is a lack of federally funded public housing units in Yellowstone County.
2. The demands on subsidized-rent programs will continue to get larger with current waiting lists at preposterous levels.
3. Financial incentives are unavailable or provide little protection of an investment for housing developers.

Comment - Yellowstone Co.
cont.

4. Improperly maintained property or housing units have caused unsafe or unsanitary housing conditions.
5. Low-cost housing units in Yellowstone County are at a high level of decline and supportive housing programs for elderly/disabled persons have been inadequate to meet fixed incomes.
6. Housing options are decreasing due to a shortage of housing units with rental costs increasing and low vacancy of suitable housing to fit the needs of Yellowstone County's population characteristics.
7. Housing rehabilitation is a priority item within rural areas of Yellowstone County...

Organization/Community - Helena Housing Authority
Helena, Montana

Person Responding - S.A. Massman
Executive Director

Date Received - October 2, 1991

Comment - The housing market at this time is tight. Section 8 families are finding it difficult to find housing.

...the waiting list has gradually but steadily increased over the past year.

One area of housing that I think we are substantially lacking in the community is emergency housing for families and transitional housing.

Organization/Community - Miles City Housing Authority
Miles City, Montana

Person Responding - Melissa Hartman
Administrator

Date Received - September 30, 1991

Comment - There is a great need for apartment complexes in the downtown area of Miles City for the elderly.

There is also a very great need for apartment complexes close to the center of Miles City for those young families that cannot afford much.

Organization/Community - Montana Building Industry Association
Helena, Montana

Person Responding - Don Chance
Executive Director

Date Received - September 27, 1991

Comment - Housing affordability has reached a crises level for the middle-class, particularly in a state such as Montana where personal income growth has fallen seriously below national averages. This problem is particularly disturbing since most middle-class Montanans depend on building equity in home ownership as there primary savings vehicle.

Cost containment issues in Montana's new home and multifamily construction market which could be described as local or state issues unrelated to national tax policy or finance trends are:

1. Availability of affordable lots or building sites - Very little professional land development occurs in Montana.

Capital for professional lot development of any scale is virtually impossible to obtain.

2. System development fees are increasingly being used by a number of Montana jurisdictions. These fees, which have fundamentally changed "the rules" in terms of how municipal improvements have been financed over the last 100 years, are reaching levels which are forcing individuals out of the new home market.
3. The loss of federal tax incentives associated with multifamily construction in 1986 is now resulting in a serious rental housing shortage in a number of Montana jurisdictions. Market response to the shortage has been and will continue to be sharply escalating rents.
4. Proposals to significantly modify energy code requirements for new construction in the state of Montana would add an estimated \$3,700 to the cost of a new home. This cost impact would force an estimated 10,000 Montana families out of the new home market and result in the lose of approximately 300 housing starts annually over the next decade.
5. Montana's worker's compensation rates, some of the highest in the nation, are the fastest growing cost component in new home and multifamily construction.

This single cost component in new home construction has and will continue to force many thousands of Montana families out of the new home market.

Organization/Community - Gallatin County
Bozeman, Montana

Person Responding - County Commissioners

Date Received - September 22, 1991

Comment - Real estate prices, especially in the Bozeman and Big Sky areas are rapidly escalating beyond the reach of the average Montanan. The need for affordable housing is critical here, with Montana State University increasing its student numbers and with the small industry and building growth in the area. Gallatin County, although experiencing a boom in construction and employment, has a large number of minimum-wage service jobs. The average wage-earner cannot afford to purchase a home and at the present time rentals are becoming increasingly difficult to find,...

...there are essentially no houses being constructed in the price ranges within the reach of most of our citizens. The vast majority of new construction is in the plus \$100,000 range. There are few affordable lots available in the Bozeman area, forcing working people to move several miles from their jobs in order to purchase a building lot.

Organization/Community - Human Resource Development Council, Inc.
Bozeman, Montana

Person Responding - Caren Couch, District IX HRDC
Housing Program Manager

Date Received - September 18, 1991

Comment - The lowest-income families in District IX who cannot secure housing are generally those families participating in welfare reform, or are habitually homeless due to mental instability, chemical dependency, or are partially physically or mentally impaired and therefore unable to secure long term employment or disability to support themselves. In District IX's university and tourist based economy, where there is always a chronic shortage of housing, these families will always be homeless unless there are units specifically designated for them.

...the CHAS must go one step further to ensure that the persons living in these project based rental units have the appropriate social services.

In order to serve the chronically homeless social services must be provided as part of the rental service.

Organization/Community - Montana State University Extension Service
Bozeman, Montana

Person Responding - Michael P. Vogel, Ed. D.
MSU Extension Service Housing Specialist

Date Received - September 12, 1991

Comment - Once CHAS has been developed, also count on the MSU Extension Service housing program to assist with it's implementation, program planning, development marketing, and evaluation.

Organization/Community - Park County Planning Office
Livingston, Montana

Person Responding - Valerie Counts

Date Received - September 12, 1991

Comment - Additional low income/senior citizen housing was identified as a long term need in Region 1 - Northern Park County.

Continued weatherization of homes is also an ongoing need...

Organization/Community - Ravalli County
Hamilton, Montana

Person Responding - Steven D. Powell
County Commissioner

Date Received - September 11, 1991

Comment - In Ravalli County the primary housing issue would be the lack of available low income rental properties.

In recent years the number of these types of rentals have decreased as older properties were replaced with new homes and the average rents have increased significantly in relation to the total rental market in general. Compounding the problem is the fact that most low income rental housing units have excessive heating costs which most low income families are unable to afford, even with assistance.

A related problem is the lack of any short term housing for transients.

Organization/Community - Summit Independent Living Center, Inc.

Person Responding - Michael J. Regnier
Independent Living Specialist/Advocacy Coordinator

Date Received - September 11, 1991

Comment - Missoula Housing Authority (MHA)...

The current waiting list for accessible units stands at 21, and the total waiting list for subsidized housing was at 961 as of the last board meeting, and over 700 for vouchers.

The Human Resource Council, which operates the Section 8 program in Missoula, tells us that they presently have a total of seven fully accessible units,...

We have found that in Lake, Flathead, and Ravalli counties, the availability of accessible and/or subsidized housing is even more limited. As a good deal of Lake county is on Native American land, it is crucial that any housing programs be coordinated through Tribal government.

It is estimated that 65 to 80% of all people with disabilities are unemployed or grossly underemployed. Many live at or near the poverty level. The current maximum for SSI benefits through the Social Security Administration is \$407.00 per month.

...most people with disabilities are simply unable to meet all of their financial needs. When these hard economic facts are coupled with the tremendously scarce accessible houses and apartments in Montana, it is not difficult to understand why people with disabilities in Montana indeed suffer because of significant financial and social burdens, many of which are directly related to housing.

Little housing has been built in Missoula in the past ten years, and only one multi-family unit has been built since the Fair Housing Amendments act was passed;...

In addition, because of migration from Eastern Montana to the west as well as record enrollment at the University of Montana, the housing market in Missoula is very tight at present. With high demand and low supply, prices have risen dramatically in the past two years, while availability has significantly diminished.

Employment has shifted to primarily service-oriented jobs which are not highly paid. Consequently, people with disabilities, their spouses and family members realize less income while expenses are considerably higher because of the demands of disability.

...the amount of accessible, adaptable, and affordable housing in Montana must be dramatically increased to even approach meeting the current need;...

Comment - Summit cont.

Housing discrimination also continues to be a significant obstacle for people with disabilities,...

We recommend that,... funds be set aside for modification and retrofitting of existing housing for accessibility.

Monies should also be made available for disabled first time home buyers who are able to make monthly payments but, because of high disability-related expenses, are unable to accumulate funds for down payments,...

One final need... is that of an informational data base of accessible housing. We would very much like to see grant monies be made available for the initiation of such data bases in localities so that people with disabilities can locate accessible housing in a reasonable fashion.

Organization/Community - City of Livingston
Livingston, Montana

Person Responding - John Nerud
City Planner

Date Received - September 10, 1991

Comment - There are very few vacant units in Livingston at this time.

...there is a "great need" for additional housing for low income families in Livingston.

Organization/Community - City of Missoula
Missoula, Montana

Person Responding - Daniel Kemmis
Mayor

Date Received - September 10, 1991

Comment - Missoula is experiencing not only an absence of affordable housing units, but an acute housing shortage, in greater proportion this year, than in preceeding years.

Historically the shortage has been noticed in a repeated cycle tied to the University student influx in the Fall. Property management companies report that there were not noticeable periods of vacancy this year.

High development costs for new construction:

...developers are competing for a scarce amount of available, high density real estate; paying high interest rates and no longer able to benefit from income tax credits for building low cost housing.

Lack of new construction of multi-family rentals or three and four bedroom single family units:

New construction and renovation currently in progress appears to be one and two bedroom.

Many of the large, older homes in the core area of Missoula surrounding the Central Business District have been acquired by professionals and converted into offices. The University also converted two of the older dormitories into offices, diminishing the available student housing by 100. Neither of these previous student housing opportunities have been replaced. At last report the University housing resources are full, and there are still unhoused students, representing a demand beyond the capacity of the University Housing.

Substandard Conditions in Existing Housing Units:

Many of the existing mobile homes in Missoula are too substandard to qualify for subsidized rent.

Handicapped units are in short supply, and those which do exist are not always desirable handicapped units, but rather only meet the broad minimum requirements.

High Rents/Zero Vacancy:

Fair Market Rents are too low for Section 8 Certificates to be used in many of the more desirable housing units in suitable condition. There have been only two new multi-family projects completed in the past two years, and both are charging rents in excess of the current FMR. In addition, many of the lower rent units have been constructed using inexpensive electric heating systems, and may cost tenants an additional \$200 - \$300 per month to heat in the winter months.

Many of the three and four bedroom size units in the housing stock are in older, poorly insulated, structures, and also require large expenditures for winter heat.

In addition to persons moving in from neighboring states and other parts of Montana, Missoula and Ravalli Counties have experienced an in-migration of new residents from other, more populous states... Many of these are retirees or two-income families coming into the area with the equity from real estate which was sold on a much higher real estate market. The result is that they have displaced local home buyers with their ability to make larger down payments and expectations of higher market prices. Housing prices have become inflated to the point that low income and moderate income families have had to leave Missoula seeking cheaper housing prices in more rural areas. There is little opportunity for these first time home buyers with minimum down payments...

The Poverello Center has begun to operate a family emergency shelter in the Rattlesnake which houses 25 individuals. It is always full.

Organization/Community - Human Resource Development Council, Inc.
Bozeman, Montana

Person Responding - Jeffery K. Rupp
Executive Director

Date Received - September 10, 1991

Comment - District IX is experiencing an affordable housing crises. Gallatin County is the fastest growing county in Montana, increasing in population by 15% in the past decade. With such a population influx, the housing supply drastically diminishes; prices of the existing houses inflate; and there are simply no affordable homes left.

In Bozeman, ... the affordable housing problem is the most severe due to the university and tourism economy. Landlords have bought up the existing housing stock to rent to students. Students combine their income to pay inflated rents that lower-income families cannot afford. Developers are building for the high-profit-margin condo and vacation home market and have no incentive to build lower-cost housing for families. The average price of the houses being constructed in Bozeman currently is \$95,000. In previous years families who could not find affordable housing in Bozeman moved to remote rural areas to the detriment of their receiving jobs and services. However, with the current housing market, there are no rentals even in the rural areas.

Organization/Community - Rosebud County
Forsyth, Montana

Person Responding - Rosebud County Commissioners

Date Received - September 10, 1991

Comment - Rosebud County, including the Northern Cheyenne Reservation and Treasure County, has a definite need for elderly housing.

80% of the elderly population have incomes of less than \$12,000 per year.

Rosebud County has contacted private business for the purpose of establishing a retirement home and the response has been, "private business needs at least 100 units to be economically feasible", we have been unable to attract anyone to establish a congregate housing unit.

Organization/Community - Bear Paw Development Corporation of Northern Mt.
Havre, Montana

Person Responding - Dick King
Deputy Director

Date Received - September 10, 1991

Comment - Bear Paw -
cont.

It is our experience that affordability is the key ingredient in structuring the financing for successful rehab projects.

The greatest obstacle to successful neighborhood revitalization is the difficulty of financing rental projects. Especially in Havre, neighborhood revitalization will not be successful in the future unless an effective means of rehabilitation of multi-family dwellings is developed. Landlords must be able to receive a return on their investment and tenants must have affordable rents.

The Section 8 Existing Rent Subsidy Program is administered in our area by the District 4HDRC.

...tenants who hold these vouchers take the rent subsidy with them when they move. This does not provide an assurance of occupancy to landlords who need to borrow in order to rehab their units.

In the rural communities of our District, the greatest need is for rehab of single family homes owned by low income households.

Also, our rural communities need to find a means of fixing up single family rental homes. These are often in very poor condition and the owners are reluctant to invest more money in the unit due to the lack of population growth and the cost of financing.

Organization/Community - Richland County Housing Authority
Sidney, Montana

Person Responding - Paul Groshart
Executive Director

Date Received - September 9, 1991

Comment - During the oil boom 80's several developers built apartment complexes from Savage to Fairview.

With the population decreases there are presently several apartments available for rent in the area.

...suitable single-family dwellings are scarce for 4 & 5 member families. Sidney is dotted with vacant, dilapidated housing that is unsafe and uninhabitable. Most of these homes were built in the 1930's and 1940's and lack necessary improvements to become usable.

Richland County does not lack suitable rental units for low and moderate income families, but conversely, houses are in short supply for nearly all income levels except the higher group...

Organization/Community - Poverello Center
Missoula, Montana

Person Responding - Anne Kovis
Director

Date Received - September 6, 1991

Comment - A change in the Tax Laws in 1987 took away some of the advantages of building new multifamily housing.

This may be one of the main reasons for the critical lack of available housing in Missoula.

The original commercial area is expanding and new businesses are taking over family residence to transform into office building...

University students tie up housing by sub-letting during the summer months.

...there is a waiting list of 900 people with the Missoula Housing Authority.

Organization/Community - Wolf Point Community Development Office
Wolf Point, Montana

Person Responding - Linda Twitchell
Housing Rehab.

Date Received - September 6, 1991

Comment - ... serious need for rentals in the Wolf Point area.

...affordable rental units are in high demand.

This same census (1990) verifies Wolf Point's Native American population at 33%.

...the elderly are most often on a fixed income with no available funds for home improvement. Business shut downs caused by the drought and loss of government contracts by A & S industries has also affected unemployment and funds available for housing needs.

Organization/Community - CDBG Housing & Community Revitalization Program
Hardin, Montana

Person Responding - Joseph Koebbe, Mayor
Rusty Rokita, CDBG Project Administrator

Date Received - September 6, 1991

Comment - ...without the options created by CDBG, our community would be totally unable to make any meaningful impact... upon affordable housing,...

Comment - CDBG Housing
cont.

...we have leveraged more than \$180,000 in private sector funds to housing rehabilitation and in total more than \$500,000 toward community revitalization. Even with those significant commitments, housing problems are far from resolved.
...there are literally no vacancies in rental units in our area,...

Organization/Community - Stillwater County Planning Office
Columbus, Montana

Person Responding - John Beaudry
Administrator/Planning Director

Date Received - September 4, 1991

Comment - Stillwater County is not currently participating in U.S. Department of Housing and Urban Development housing programs. Stillwater County Government relies on private enterprise to meet the housing needs of County residents.

Organization/Community - Department of Social and Rehabilitation Services
Helena, Montana

Person Responding - Bob Maffit
Program Operator

Date Received - September 4, 1991

Comment - The Americans with Disabilities Act (ADA) passed July 26, 1990 with implementing regulations finalized July 1991. I would encourage that ADA considerations be included in CHAS planning as well as future policy development.

Organization/Community - City of Glendive

Person Responding - Kevin Dorwart
Director of Operations

Date Received - September 3, 1991

Comment - There is a definite need for housing rehabilitation within the City...

Organization/Community - Town of Twin Bridges
Twin Bridges, Montana

Person Responding - Emery Smith
Mayor

Date Received - September 3, 1991

Comment - Due to the majority of elderly residents, the town is very interested in promoting more growth as well as job opportunities. We feel this will be very helpful in filling the vacant homes that are for sale through estates.

Organization/Community - Human Resource Development Council Inc.
Bozeman, Montana

Person Responding - Mary Krone, Prog. Spec.

Date Received - July 15, 1991

Comment - ...we are well aware of the housing shortage for low
income families in Park County...

XI. APPENDIX

B. CHAS CERTIFICATIONS

Comprehensive Housing Affordability Strategy (CHAS)

and Urban Development
Office of Community Planning
and Development



1 of State: Montana	Name of Agency: Department of Commerce
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Contact Person: Newell Anderson, Administrator Local Government Assistance Division	Telephone Number: (406) 444-4480
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Address: 1424 9th Ave. Capitol Station Helena, MT 59620
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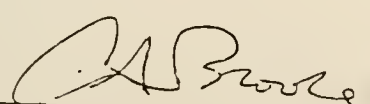
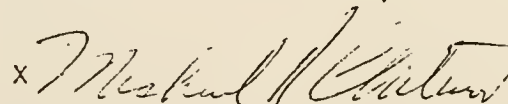
Type of Submission:	(mark one) <input checked="" type="checkbox"/> New Five Year CHAS <input type="checkbox"/> Annual Update *	For Fiscal Year <u>91</u> through Fiscal Year <u>92</u> For Fiscal Year _____
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(mark one) <input checked="" type="checkbox"/> Initial Submission <input type="checkbox"/> Resubmission <input type="checkbox"/> Amendment **
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* If an Annual Update, mark one:
☐ Parts 4 (Resources) & 5 (Implementation) Only

☐ Parts 4 & 5, plus minor changes: (mark all those which apply)
Part 1 - Needs Assessment ☐ Narrative ☐ Tables
Part 2 - Market & Inventory Conditions ☐ Narrative ☐ Tables
Part 3 - Strategies ☐ Narrative ☐ Tables

** For all amendments, specify the nature of the amendment below and attach amended portions to this cover sheet.

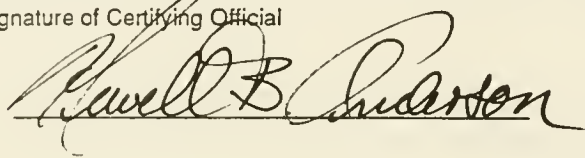
State Name of Authorized Official: Charles A. Brooke, Director Montana Department of Commerce Signature & Date:  2-11-92	HUD Approval Name of Authorized Official: Michael R. Chitwood, Regional Administrator -- Regional Housing Commissioner Signature & Date:  3/19/92
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Appendix C
Comprehensive Housing Affordability Strategy (CHAS)

Certification

The State hereby certifies that it will affirmatively further fair housing.

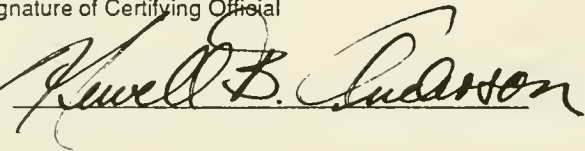
Signature of Certifying Official

x 

Certification

The State hereby certifies that it will comply with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, implementing regulations at 49 CFR 24, and the requirements at 24 CFR 570.496a(C) governing the residential antidisplacement and relocation assistance plan under section 104(d) of the Housing and Community Development Act of 1974 (including a certification that the State is following such a plan).

Signature of Certifying Official

x 

Note: The State's execution of these certifications acknowledges that it will maintain supporting evidence, which shall be kept available for inspection by the Secretary, the Comptroller General of the United States or its designees, the Inspector General or its designees, and the public.

XI. APPENDIX

C. CITY OF BILLINGS CHAS

D. CITY OF GREAT FALLS CHAS

The final City of Billings CHAS was approved by HUD on March 20, 1992.

The final City of Great Falls CHAS was approved by HUD on January 21, 1992.

To obtain copies of the CHAS for the City of Great Falls or City of Billings, please contact the persons listed on page 3.

1200 copies of this public document were published at an estimated cost of \$4.00 per copy, for a total cost of \$4800.00, which includes \$4800.00 for printing and \$0.00 for distribution.